IN THE MATTER OF The Public Inquiries Act, being Chapter 258 of The Revised Statutes of Alberta, 1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission into the matters set out in Order-in-Council 861/67 respecting the use or attempted use by the Honourable Alfred J. Hooke of his office as a member of the Executive Council of Alberta, and the use or attempted use by Edgar W. Hinman of his office as a member of the Executive Council of Alberta.

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PROCEEDINGS BEFORE THE HONOURABLE MR. JUSTICE W. J. C. KIRBY

C. W. CLEMENT, Esq., Q.C.,

S. A. FRIEDMAN, Esq., Q.C.,

S. H. McCUAIG, Esq., Q.C.

L. MAYNARD, Esq., Q.C.,

W. B. GILL, Esq., Q.C.,

G. A. C. STEER, Esq., Q.C.

D. H. BOWEN, Esq., Q.C.

N. S. CRAWFORD, Esq., and

J. D. HILL, Esq.

G. S. D. Wright, Esq.

Commission Counsel

Departments of Government

E. W. Hinman, Esq.

The Honourable Alfred J. Hooke

G. A. Turcott, Esq.

Mr. Neil Reimer

Dr. C. A. Allard

Liberal Association of Alberta

Progressive Conservative Party of

Alberta

Alberta New Democratic Party

W. ALAN SHORT, ESQ., Clerk to the Commission.

VOLUME No. 25

DATE October 25th, 1967

(Pages 2573 - 2658)

Supreme Court Reporters
EDMONTON, ALBERTA



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Manage of Movember 12, 1859	

PROCEEDINGS before The Honourable Mr. Justice W. J. C. Kirby, this 25th day of October, A.D., 1967, at 9:00 o'clock in the morning, at the Court House, in the City of Edmonton, Province of Alberta.

MR. CLEMENT: Mr. Commissioner, may I introduce to you Mr. Dowding, I believe of the Vancouver Bar, who is here at this Inquiry taking the place of Mr. Gill.

MR. DOWDING: Mr. Wright, I hope.

MR. CLEMENT: Excuse me, Mr. Gill. Mr. Wright, who has had to leave for Ottawa yesterday.

THE COMMISSIONER: We are very pleased to have you here,

Mr. Dowding.

MR. DOWDING: Thank you, My Lord.

THE COMMISSIONER: And you will be accorded the same position in examination as was accorded to Mr. Wright.

MR. DOWDING: Thank you,

(Reporter's Note: Mr. Dowding's full name, Gordon H. Dowding, of Messrs.

Dowding, Deverell & Harrop, 2nd Floor, Block Building, 2695 Granville Street, Vancouver 9, B.C.)

MR. CLEMENT: Mr. Commissioner, may I call Mr. Brower now. You will recall that it was desired that some questions be put to Mr. Brower in connection with the North West Trust transaction. I understand his evidence will be fairly brief, and as a matter of convenience I

HOULEDINGS DEFORE The Honourable Mr. Justine V. J. C. Kinby, this is a second of October, a D., 1907, at a \$\frac{2}{3}\$ \$\frac{9}{3}\$ \$\frac{1}{3}\$ \$\frac{

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(Reporter's Mote: Mr. Dawding's full

name, Cordon H. Dowding, of Mesers,

Dowding, Deverell & Marrop, 2nd Floor,

Block Building, 1695 Granville Streek.

Vancouver 9 U.C.)

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1-B-2

R. L. Brower - Clement Ex.

MR. CLEMENT: (Cont.) would ask that he be heard now.

R. L. BROWER, Esq., sworn, examined by Mr. Clement:

THE COMMISSIONER: You may sit down, Mr. Brower.

- Q MR. CLEMENT: Mr. Brower, you are a member of the Law Society of Alberta?
- A I am, sir.
- Q And you are head of the firm of Brower Johnson and Company?
- A That's right, sir.
- Q And have been practicing your profession in Edmonton for a number of years?
- A Yes sir.
- Q We are here, sir, to inquire as to what assistance you can give the Inquiry in respect of the purchase by North West Trust Company of the Northwestern Utilities Building on 104th Street, which occurred in 1959.
- A Yes.
- Q I am told that you were then solicitor for North West Trust Company in that transaction?
- A Yes, I was, sir. My records don't seem to indicate which officer of North West Trust in particular I received instructions from, but I believe Mr. Miles instructed me to put through a transfer of this property which you mention, the Northwest Utilities Building, and some lots adjoining it, and as a consequence of those instructions, excuse me -
- Q Well, I merely wanted to clear things up as we went along.
- A Right.
- Defore you had received instructions respecting the Supreme Court REPORTERS

EDMONTON, ALBERTA

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COMMISSIONER: You may sit down, Mr. Brower.

MR. CLEMEN1: Mr. Brawer. von ere a member of the

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institution rom, but a eve Mr. Miles instructed was

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1-B-3 R. L. Brower - Clement Ex.

- Q (Cont.) conveyancing from Mr. Miles had you any knowledge of the transaction?
- A No, I had no knowledge whatsoever.
- Q You were acting purely as solicitor on the instructions of the officer of North West Trust?
- A Yes, that's right, and I believe it was Mr. Miles, there is nothing on my files to indicate, my documents here, but I believe so.
- Q Yes, you had no hand in the negotiations or dealings with anyone?
- A None whatsoever.
- Q Did you see Dr. Allard?
- A No, at no time.
- Q Did you see Mr. Hooke?
- A At no time.
- Q Well then, would you proceed, sir; you received the instructions for conveyancing from Mr. Miles presumably?
- A Right, sir.
- Q Yes?
- A And at the time I believe I was absent for a while, out of town for a few days, and Mr. Johnson wrote some preliminary letters relative to it. Discussion took place with Mr. Peacock of the Chambers Might firm, Mr. Layton of Milner Steer and Company, and Mr. Shortreed of the Shortreed and Shortreed Company, who acted for an intervening purchaser, Donat Holdings and Elizabeth Peets.

Arrangements were made whereby -

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- 1-B-4
- R. L. Brower Clement Ex.
- Q Let us be -
- A Excuse me,
- Q Let us be clear about this. The intervening purchaser that was referred to as the Giannone group and which turned out to be Donat Properties and Mrs. Elizabeth Peets?
- A That's right, sir.
- Q And in this transaction they were represented by Messrs.
 Shortreed and Company?
- A That is correct.
- O You for North West Trust?
- A North West Trust.
- Q And Chambers Saucier for the people represented by Mr. Peacock?
- A Well, Mr. Peacock took title to the property personally,

 I presume as a trustee.
- Yes, and what did you find about the state of the title when you examined it following the instructions for conveyancing?
- A It was all clear with the exception of two Caveats that were filed on the property, one by the Royal Trust Company apparently to protect themselves against some loan they had made to the Donat Properties group, and a Caveat was filed by the North West Trust Company by Mr. Jones, who was then Secretary of the company, who was also a solicitor, now deceased.
- Q Yes, obviously at this stage the title remained in the name of Northwestern Utilities?

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Let us be clear about this. The incervening purchaser that was referred to as the Giannone group and which turned out to be Donat Properties and Mrs. Flizabeth Peets?

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who was also a solicitor, now

- 1-B-5
- R. L. Brower Clement Ex.
- A That's right, sir.
- Q So with that then what did you do?
- Well, we entered into negotiations and secured agreement from Mr. Shortreed on behalf of his group, and on payment of a certain amount of money they would be cleared out; and Mr. Layton and Mr. Peacock and I, I believe, all attended at the Land Titles Office and interchanged letters and cheques and the legal documents leading to the transference of the title to the North West Trust Company. I received cheques for some, totalling some four hundred and, I am sorry, \$546,952.99, to be exact. I disbursed to Mr. Layton \$174,988.80, and to Shortreed sfirm, \$181,214.19, and \$190,750.00 to the North West Trust.
- Q That last figure?
- A \$190,750.00 to the North West Trust. I have a copy of that cheque that went there, a photostat, sir.
- I will leave these on the table, Mr. Brower, in case anyone wishes to examine you upon them. This statement that you are reading from, may I see that for a moment?
- A I just made out -
- Q Oh, just your notes that you had made in reviewing your file for convenience?
- A Yes, that's right.
- Q I see. And then the transaction was completed in what is really the usual way, all solicitors of interest attending at the Land Titles Office to make sure the title would flow

a Clement Ex.

- So with that them what did you do!
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 - t, jus: your no sa that you had made in reviewing your

1 - B - 6

- R. L. Brower Clement Ex.
- A In a deal of this magnitude it is often done this way.
- Yes, so that was the course that was followed, and the title came out to North West Trust?
- A That's right, sir.
- Q At any time did you have any, at any time throughout this did you have any dealings with Dr. Allard?
- A No, I don to believe I ever spoke to Dr. Allard in connection with it.
- Q Yes?
- A I think the whole of my dealings were with Mr. Miles, as I recollect.
- Q Anybody hint that Mr. Hooke might have had some interest in it?
- A No, I never had any inkling of that whatsoever. There was a lease involved of which I prepared an assignment of, too, of course, which went to Mr. Peacock.
- Q Yes?
- A That lease I believe was from Mayfair Leaseholds Limited.
- Q That's right.
- A I don't recall looking it over other than to prepare the assignment.
- Q Yes?
- A And forwarding it on to Mr. Peacock.
- Q Yes?
- A But at that time I don't recollect who had signed the lease.

. . . deel of this magnitude it is often done this way.

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Came out to Borth West Trust?

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1-P-1
R.L. Brower - Clement Ex.
- Gill Ex.

- Q The lease went to --
- A The lease we are here concerned with.
- Q -- Mayfair Leaseholds as a setting of trust for which North
 West Trust was holding?
- A That is apparently the situation.
- Q That was your understanding of it?
- A That is right, sir.
- Q And of course, the purchaser of the Title was entitled to a Transfer of the reversion and an assignment of the lease?
- A That is right, sir. I believe at all times, I thought the North West Trust, having some knowledge of what their investments would normally be, that they were acting in the position of a trustee for other people but, I don't know who they were.
- Q Thank you, would you answer my friends please.

THE COMMISSIONER:

Mr. Gill?

MR. GILL:

Thank you.

MR. GILL EXAMINES THE WITNESS:

- Q Mr. Brower, you have been relieved of your privilege by your client?
- A Yes I have Mr. Gill.
- Q Thank you. In connection with this matter, when did you first start acting for North West Trust?
- A Do you mean in this matter solely?
- Q This particular matter of the Northwestern Utilities Building?
- A We must have received instructions late in April, I think

r - Clement Ex.

- ' Joan sasaf off

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THE COMMISSIONER: Mr. Gill

MR. GILL: Thank you.

Pe Mr. Gill.

In connection w a this methor, when did you

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1-P-2 R.L. Brower - Gill Ex.

- A (cont.) about April 30th my files would indicate would be about the first involvement. Unfortunately in my searches which normally have a date on them when they were made, don't seem to indicate that in this case. I would think it was around April 30th.
- Q And your instructions came almost a day or two before the transaction was finalized at the Land Titles Office?
- A Yes sir.
- Q You don't know anything of the intervening transactions with Giannone and the Shortreed group that preceded this?
- A No, other than of course my search indicated Caveats were on there and apparently my instructions were such that there was involvement with Donat Holdings and I was advised that Mr. Shortreed and Mr. Peacock would be involved.
- You mentioned some knowledge of Donat Holdings?
- A No, I am sorry to say that, I know nothing about that background.
- Q And you concluded it by disbursing money and that is as far as you knew about it?
- A That is right, sir.
- Q Did you have anything to do with the Government lease?
- A No, absolutely nothing other than preparing an assignment for Mr. Peacock.
- I see, did you know any of the circumstances leading up to the lease?
- A I believe we prepared the assignment. I know it is in the correspondence I had with other solicitors I had enclosed

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1-P-3 R.L. Brower - Gill Ex.

- A (cont.) such assignments and I believe we probably prepared it when we received it from the trust company itself.
- Q Did you have any discussions with Government people about the lease?
- A No, no sir.
- Q Do you know of any degree of association between Dr. Allard or North West Trust and any members of the Cabinet?
- A No I don't believe I have any recollection whatsoever of any dealings I had with them. I had been an early share-holder in North West Trust so I knew there must have been some negotiations pertaining to original Charters.
- Q Did you have anything to do in connection with the obtaining of registration of North West Trust as an active trust company?
- A No I didn't. Mr. Matheson I believe carried on all of those negotiations.
- Q And about financing of North West Trust, did you have anything to do with that?
- A In no way other than being a shareholder. A very minor role.
- You didn't have anything to do with putting up money or obtaining loans from banks or mortgage companies?
- A No. I was later a Director of the company.
- Q When was that?
- A I think in October of the same year.

(4 cmt.) such assignments and believe we probably property it when we recrired it from the trust company

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The company of

- 1-P-4
- R.L. Brower Gill Ex.
- Q Of 1959?
- A Of 159.
- Q You would be a Director at the same time Mr. Superstein was a Director?
- A Mr. Superstein was a Director at that time.
- Q Was Mr. Belzberg a Director at that time?
- A Yes, he was a Director I believe, yes.
- Q Did you have anything to do with the arrangements for the building known as the Steak Loft?
- A No, none whatsoever.
- Q Do you know anything about those arrangements?
- A No other than what I heard in conversation that the building, that Mr. Allard had acquired, Dr. Allard had acquired the property and was putting a building on it.
- Q For the Social Credit League who rent it?
- A Well I didn't know if that was specifically the reason but
 I know they later occupied the building. I had nothing to
 do with negotiations in a professional way or any knowledge
 of it whatsoever, to the best of my recollection.
- Q Getting back to the North West Trust transaction with the Northwestern Utilities, did you know of the ultimate purchaser before you attended at the Land Titles Office?
- A No I didn't. I only knew of the involvement of the North
 West Trust and I believe they were acting as a trustee but I
 had no instructions or any knowledge of whether they were
 doing it as a trustee or in their own right. Naturally I
 would assume at that time it was for other individuals

.029 30

You would be a Director at the same time Hr. Superstein was a Director?

- A Mr. Superstein was a Director at that time.
 - Q Was Mr. Beleberg a Director at that time?
 - A Yes, he was a Director I believe, yes.
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of whether they was

1-P-5

R.L. Brower - Gill Ex.
- Dowding Ex.

- A (cont.) because it is normally not a trustee investment or trust company, a normal type of investment for a trust company.
- Q Thank you Mr. Brower.

THE COMMISSIONER:

Mr. Bowen?

MR. BOWEN:

No questions sir.

THE COMMISSIONER:

Mr. Crawford?

MR. CRAWFORD:

No questions sir.

THE COMMISSIONER:

Mr. Dowding?

MR. DOWDING EXAMINES THE WITNESS:

- Q Mr. Brower, at the time you were a Director in 1959, is that what you said?
- A Yes.
- Q How long were you a Director?
- A Just to my recollection I think about two years.
- 0 From that date on?
- A Yes, from that date on.
- Q And at this time had North West Trust obtained the right to take deposits and so on?
- A Yes, they were taking deposits.
- Q Did they have to apply to get that right from the responsible party of the Government?
- A I had no involvement in this but I believe that would be the normal situation. The early Act that we had was a very loose document with not too much substance, the original Trust Companies Act and I believe there was a lot of discretion in the Registrar of Trust Companies with

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the trust company, a normal type of investment for a trust

Q Thank you Mr. Brower.

THE COMMISSIONER: W

MR. BOWEN: No questions eis

THE COMMISSIONER: Mr. Crawford

MR. CRAWFORD: No questions gir

THE COMMISSIONER: No. Dowding?

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How Long were you a Sizecher'

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A Yes, from that date on.

Q And at this time had Borth Nest Trust obtained the right to

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1-P-6
R.L. Brower - Dowding Ex.

- A (cont.) regard to taking deposits, etcetera, etcetera and we have had two revisions of that Act since.
- Q Did the company to your knowledge have to apply to the Government on two occasions, first to become licensed to operate as a trust company during the time you were familiar with the company and secondly to have the right to make deposits or receive deposits?

MR. CLEMENT: Mr. Commissioner --

A I don t know if I am going too far --

MR. CLEMENT: I beg to remind you Mr. Commissioner

MR. DOWDING: Oh, that has been gone over, well I won't cover it.

MR. CLEMENT:

Within his knowledge. This matter has been gone into in some considerable detail and over a considerable period of time with those who did have knowledge. I think sir that it is within your power to prevent unnecessary repetition of evidence.

MR. DOWDING:

I shan't pursue that line Mr.

Commissioner, I don't think it is necessary.

- A Perhaps I can answer it to the point where I believe they had the right to take deposits before I was appointed a Director but I have no personal knowledge whatsoever.
- Q MR. DOWDING: Now at the time that the transaction took place, were you made familiar with the fact that there was to be an ultimate purchaser when you first got your

SUPREME COURT REPORTERS EDMONTON, ALBERTA

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demonits, atcapana, etechera and

we have had two revisions of that Act sines.

Did the company to your knowledge have to apply to the Government on two occasions, first to become liveneed to operate as a trust company during the time you were famal with the company and secondly to have the right to make deposits or receive deposits?

MR. CLEMENT: Nr. Commissioner

-- rat out gaing ma. I it would find I

MK. CLEMENT: Lorented you Mr. Commissioner

MR. DOWDING: has been gone over, wel

. Ji revos J'new I

MR. CLEMENI: Nr. Brower has stated this is nor

within his knowledge. This matter has been gone into in some considerable detail and over a considerable period of time with those who did have knowledge. I think sie this I is within your power to prevent unnecessary repetation of cuidence

MR. DOWDING: I shon't pursue that line Mr

Commissi , I don't think it is necessity.

can answer it to the point where I beineva they

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1-P-7
R.L. Brower - Dowding Ex.

- Q (cont.) instructions?
- A Only and quite apparently my instructions were to transfer to Mr. Peacock but I would assume there was some other party that he was acting as a trustee for.
- Q Did you know Garneau Developments Limited?
- A No I didn't.
- Q Did you at anytime have any knowledge that Mr. Shortreed was associated with Mr. Hawrelak and Mr. Giannone?
- MR. G.A.C. STEER: Sir, I have some interest in this
 I submit, appearing for Dr. Allard and I do submit there is
 absolutely no relevancy to that question at all.
- A I can answer it by no in any event.
- MR. DOWDING: Well, that settles that. No further questions.

THE COMMISSIONER: Mr. Steer?

MR. G.A.C. STEER: No questions.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: No questions.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: Thank you sir, I have no further questions. Thank you Mr. Brower.

THE COMMISSIONER: Thank you Mr. Brower.

A Do you want this material left here?

MR. CLEMENT:

No, since counsel haven't referred
to it Mr. Brower we have no need for it, thank you.

(Witness retires.)

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THE COMMISSIONER Mr. Steer:

MR. G.A.C. STEER: 'No questions.

THE COMMISSIONER: May darid?

MR. MAYNARI: No questions

THE COMMISSIONER: Mr. Clement:

Thank you sir, I have no further

1 Mr. Brower.

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forder.

1-P-8

J. Superstein - Clement Ex. - Gill Ex.

MR. CLEMENT:

Mr. Commissioner, I will recall

Mr. Superstein. You will recall that yesterday in the course of cross-examination which was embarked on and he was released until this morning in order to familiarize himself with the topics which were being broached on that cross-examination.

JACOB SUPERSTEIN, recalled, examined by Mr. Clement:

- Q Mr. Superstein, you acknowledge that you are still under oath for the purposes of this Inquiry?
- A Yes.
- O I believe Mr. Gill was in the course of cross-examination.

MR. GILL EXAMINES THE WITNESS:

- Mr. Superstein, yesterday Mr. Maynard asked you if you had consulted me as a client and that is correct is it not?
- A Yes.
- Q In June of 1966, May or June?
- A I assume your dates are correct.
- Q And you were concerned about the Credit Foncier action that you were involved in?
- A And other actions.
- You were given an opinion, charged, paid the bill and that was that?
- A I paid the bill on September 6th, 1966.
- Q Took a little time?
- A Yes I agree. I had quite a few other bills ahead of you.
- Q And other counsel in this room have also acted for you?
- A On September 6th, 1966 I met with you in the Calgary Inn and

retell - Clement Ex.

Mr. Commissioner, I will rocall

Mr. Superstein. You will recall that yesterday in the of crosc-examination which was embarked on and he was released until this morning in order to familiarize himself with the topics which were being broadled on that cross-exemination

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- Q Mr. Superstein, yesterday Mr. Maynard asked you it you had consulted me as a client and that is correct IN it not?
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 - I assume your dates are comeet.
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And other actions.

You were giv m an lon, charged, paid the bill and that

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me and who Callery Inn on

- 1-P-9
- J. Superstein Gill Ex.
- A (cont.) I paid you the bill.
- Q That is correct. Other counsel have acted for you who are around this table, haven't they Mr. Superstein?
- A Yes.
- Q Mr. Maynard?
- A Not in this case, no.
- Q No, no. Mr. Steer is acting, Mr. G.H. Steer Q.C. is acting for you in this case?
- A To my pleasure, yes.
- Q Mr. Maynard acted for you some years ago?
- A Many years ago.
- Now, getting back, can I see Exhibit 245 please Mr. Short?
 You were a shareholder of Doral Investments were you not?
- A Yes.
- O How did that come about?
- A I would like to refer to the Minutes of Doral before I answer any questions because it is a long time ago.
- Q I see, do you have those Minutes?
- A My counsel, Mr. Steer --
- MR. GEORGE STEER: Mr. Commissioner, I have spent a good deal of time with Mr. Superstein since yesterday and it is perfectly obvious that he needs his memory refreshed by reference to these documents, the Minute Book of Mayfair Leaseholds and the Minute Book also of this company of which my friend is speaking now, Doral Investments and I would ask that he have these documents in front of him before he answers these questions.

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- Affid ods now bise I (. inso)
- Q is correct. 'Other counsel have acted for you who are around this table, haven't they Mr. Superatora?
 - Yes.
 - Q Mr. Maynard?
 - A Not in this case, no.
- No. no. Mr. Steer is acting, Mr. 6 H. Steer Q.C. is acting
 - for you in this case?
 - I To my pleasure, yea.
 - Q Mr. Maynard acted for you some years ago?
 - A. Meny years ago.
 - Q New getting back, can I see Ethibit 145 pleass Mr. Short?
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 - Q I see, do you have those Minutes?
 - A My causel, . Steer --
 - MR. CEORGE OWEER: Mr. Commissioner, I have spent a

good deal of time with Mr. Superstein since yesterday and

1-P-10 J. Superstein - Gill Ex.

MR. CLEMENT: Mr. Commissioner, these Minute Books which Mr. Steer has referred to were tabled some considerable time ago on production by Mr. Cameron Steer. They have been available for counsel at all times. I put them on the table again sir for the assistance of Mr. Superstein in refreshing his memory. There are two Minute Books, the Doral Development Limited and it might be that he will require assistance in finding the precise point in whichever Minute Book is involved.

A May I look at them?

THE COMMISSIONER: I can see no reason why he can't refresh his memory in going back that number of years.

Look at any of these Minute Books.

MR. CLEMENT: Every other witness has sir, has had to. There is Doral.

MR. GEORGE STEER: You may find it of assistance Mr. Superstein if you look at Mayfair Leaseholds Minutes of November 12th, 1959.

Mr. Commissioner, we have gone through these records and if would facilitate matters I will be prepared to make a statement as to what those Minutes show with regard to two companies, namely Mayfair Leaseholds and Doral Investments.

THE COMMISSIONER: Perhaps Mr. Gill if we had such a statement then you could examine Mr. Superstein on the basis of those.

MR. GILL: I think we might advance more

ein - Gill Bu.

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1-P-11 J. Superstein - Gill Ex.

MR. GILL: (cont.) quickly in that way Mr. Commissioner.

THE COMMISSIONER: That if the information comes out of the Minute Book.

MR. GEORGE STEER: Mayfair Leaseholds Limited was incorporated on April 20th, 1959. Its shareholders were Dr. Allard, one share and Adam Miles, one share. It was incorporated for the purpose of holding the Northwestern Utilities Building and collecting the rents, of course, under the lease to the Government.

On April 30th, 1959 the lease of the Utilities

Building was assigned to Mr. Peacock, the sale of which

Mr. Brower spoke this morning, having been made in the

meantime.

It seems to have been decided then that Mayfair

Leaseholds Limited would be continued in existence and on

July 17th of 1959 the provisional directors, that is Dr.

Allard and Miles made this allotment of shares. Twenty

shares to Mrs. Ruth Superstein for \$20.00; twelve shares

additional to the incorporators share were allotted to

Dr. Allard and seven shares to Mr. Feldman. At that time Mr.

Miles resigned and transferred his share so that the

shareholders at that time consisted of Mrs. Superstein,

twenty; Dr. Allard thirteen and Mr. Feldman seven.

Then on July 17th, 1959 Mr. Superstein and Allard were elected Directors of Mayfair Leaseholds Limited; (cont.)

- Gill Pr.

HE. CILA: (cont.) quickly in their way He. Commissioner,
THE EL ISSICHER: : That if the information comes aut or

R. GEORGE STEER:

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- m Faldman seven.

1-M-1 J. Superstein - G.H.Steer Ex.

MR. STEER: (Cont.) and they purchased on behalf of Mayfair

Leaseholds 145 and 146, Lot 12, of the Hudson's Bay Reserve,

for \$35,000.00, with respect to which property they applied

to North West Trust Company and got a mortgage loan of

\$20,000.00.

Then, on November 12th, 1959, a directors meeting of Mayfair Leaseholds, the one I referred to, shows that Paris Investments Ltd. and Dr. Allard each sold fifty shares of Doral Investments to Mayfair Leaseholds for \$23,138.22, which was the cost of those shares when they bought them from Mr. Hooke and Mr. Prodor, on October 30th, 1959.

I understand that an agreement was tabled or -- as an exhibit, showing that purchase.

On November 12th, 1959, Mayfair

Leaseholds borrowed \$7,000.00 each from Superstein and Paris

Investments, and at this time two shares of the hundred

bought from Paris and Allard were allotted one each to

Superstein and Allard to qualify them as directors.

In addition to paying this amount of cash, Paris and Allard, who were the vendors of the shares, assumed debts of Doral, \$17,000.00 apparently being share-holders loans made to Doral, and \$13,000.00 due to the Bank of Montreal; so that the consideration for the transaction was really \$54,000.00.

On January 7th, 1960, Mrs. Superstein sold her twenty shares of Mayfair Leaseholds, thirteen of

SUPREME COURT REPORTERS EDMONTON, ALBERTA

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(Cont.) and they purchased on behalf of Mayfalp Leaseholds 145 and 146, Lot 12, of the Mudson's Bly Regarms, for \$35,000.00, with respect to which property they applied to North West Trust Company and get a mortgage loan of \$20,000.00.

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th 100, Mrs. Sug

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J. Superstein - G.H.Steer Ex.

MR. STEER: (Cont.) them to Allard and seven to Feldman; and

Jake Superstein transferred his \$7,000.00 note, which had

been given to him for the advance that he made that I

have mentioned above, to Allard.

On June 1st, 1960, Allard paid by cheque to Ruth Superstein \$15,383.30 in final settlement of the acquisition by Dr. Allard of all the Superstein interests that had been referred to.

I think that is a summary of the

THE COMMISSIONER:

Thank you, Mr. Steer. Mr. Gill?

MR. GILL EXAMINES WITNESS:

situation.

Q Thank you. Well, at one time, Mr. Superstein, you were shown as a director of Doral, were you not?

MR. STEER:

I stated that.

Q MR. GILL:

Yes. Did you intend -- .

- A One share of Doral Development --- I am just referring to the Minutes -- one share of Doral Developments.
- Q In 1959, Mr. A. J. Hooke and Mr. Edward Prodor owned that company, didn't they?
- A Well, that came to me as a complete surprise when you brought that up yesterday, and I didn't deal with Mr. Hooke or -- what's the other gentleman's name?

MR. G.H.STEER:

Prodor.

- A Prodor, and -- I don't know the man. I dealt with Dr.Allard.
- Q MR. GILL: And he must have dealt with someone else then?

SUPREME COURT REPORTERS EDMONTON, ALBERTA the ; nembled or never bad falls of madd (, a

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boos given to him for the advance that he made that I

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IR. STEER: I stated th

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1-M-3

- J. Superstein Gill Ex.
- A The way you point it out now, yes.
- Q Then, Mayfair Leaseholds really was the vehicle that moved this around, was it?
- A Mayfair Leaseholds was set up to handle the Northwest Utilities lease.
- Q And after that building was sold, then you used Mayfair for other purposes?
- A Yes, that's correct.
- Q And you and Dr. Allard started Mayfair?
- A That's correct.
- Q Mayfair Leaseholds Ltd.?
- A That's correct.
- Q Why did the shares in Doral -- or in Mayfair, finally go into Ruth Superstein's name rather than your own?
- A Well, I was at that time thinking of setting up a family trust.
- Q But you remained a director of Mayfair Leaseholds?
- A I think so.
- Q And you did business with Dr. Allard in that company?
- A Yes, I was.
- Q Did you have any more dealings with the government?
- A No.
- Q Did you get Mr. Arthur Arnold to do anything for Mayfair Leaseholds Ltd.?
- A No.
- Q What about for Doral?
- A No.

-- vay i podné is out new yes.

Thon, Mayfair leaseholds really was the vehicle that moved this around, was it?

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I think so.

And you did business with Dr. Allard in that sempery?

Did you have any more dealings with the government?

1 - M - 4

- J. Superstein Gill Ex.
- Q Then at the same time you were also in North West Trust Company, were you not?
- A Yes.
- Q How did you come to get into the North West Trust Company?

 In 1958 the records show that you became a shareholder

 with 14,000 shares -- Exhibit 253, my Lord.
- A Well, it was common knowledge around town about this trust company. I discussed it with members in the community such as Sam Belzberg -- .
- Q He was a director at the time, was he not?
- A I don't know -- I would have to look up -- .
- Q The records indicate that he was, Mr. Superstein.
- A In \$58?
- Q In 158.
- A Oh. That's fine. And I was one of the --- wanted somebody to look after my other investments besides Edmonton Produce, and I felt that in the long run -- I felt a trust company could do a better job.
- Q Was this on the advice of Mr. Samuel Belzberg?
- A To a great extent, yes, and discussions with other members in the community.
- Q Was that when you first met Dr. Allard?
- A Well, I have known the Allard family for many years, of course. I can't pin down a date.
- Q So North West Trust you were going to use as another way of increasing your investments rather than just Edmonton

Produce? Is that correct?

en at the same time you were also in North West Trust

Now did you to get keto the Worth West Trust Company?

In 1953 the records show that you became a shareholder with 14,000 shares -- Exhibit 253, my Lord.

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1 you first met Dr. Allard?

he Allard Family for my years, of

1 - M - 5

- J. Superstein Gill Ex.
- A To look after my investments.
- Q Oh, I see. They were going to act as your trustee, were they?
- A To a great extent, yes.
- Q And then what happened?
- A What do you mean?
- You acquired some different shares in North West Trust?
- A I applied for some shares as a shareholder.
- Q Did you take some of the share options in North West Trust in 1959 at a dollar a share?
- A I would have to refer to records on that point.
- Well, in 1959 you became a director, according to the company records?
- A That's correct.
- Q And -- .
- A After checking the records yesterday, I became a director October 17th, 1959.
- And when did you cease to be a director? Did you check that?
- No, I haven't been able to find that one. I think when I sold my interest and my wife's interest to Dr. Allard in 1960.
- Q Have you got -- .
- A Now, I think that I got out as a director.
- Q Why did you do this?
- A Well, I was -- Edmonton Produce needed all my time.
- Q Did you have a disagreement with Dr. Allard?
- A Well, there's always differences of opinion if you are in

lesk after my lavostments.

Oh __ . They were going to act as your truster, ware

A . To a great extent, yes

And then what happened?

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you do this?

- 1-M-6 J. Superstein - Gill Ex.
- A (Cont.) business, but I don't remember any differences of opinion.
- Q Did you have a disagreement with Mr. Belzberg?
- A Well, we didn't always agree. Maybe some, sometimes.
- Q Did this disagreement concern their dealings with members of the government?
- A Oh, no; nothing to do with that.
- Q And then did you get Rabbi Saks to put some money into North West Trust Company?
- Well, I think Rabbi Saks talked to Sam Belzberg, and Dr.
 Robert Saks was a friend of mine, and a friend of Mr.
 Belzberg's, and he asked me if I had made an investment in this company and I said yes, and he made an investment, bought some shares.
- Q Did you have anything to do with obtaining the license of North West Trust Company to become reactivated as a trust company?
- A No.
- Q You didn't talk to any of the people in the government about that?
- A No.
- And another trust company, City Savings & Trust, did you have something to do with them getting their license?
- A No.
- Q From the government? No?
- A No, all I know is that Mr. Belzberg went out on his own and got a license.

(vo ... business, but I don't remember any differences of

you have a disagreement with Mr. Beleberg?
Well, we didn't always agree. Maybe some, sometimen,
it is a disagreement concern their dealings with members.

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- 1 M 7
- J. Superstein Gill Ex.
- Q I see.
- A For City Savings; that is the birth of City Savings.
- Q Did you assist in that with the government or not?
- A No.
- Q But he dealt with some members of the Cabinet on that, to your knowledge?
- A Not to my knowledge.
- Q Did you ever discuss with Mr. Hooke your investment -- your involvement in North West Trust Company?
- A Never. I don't think I knew Mr. Hooke in those days. He
 was not the Minister of Agriculture, and that's the man that
 I would be mostly encountered with, being in Edmonton
 Produce.
- Q Well, did you deal with Mr. Arnold at all, Arthur Arnold?
- A No.
- Did you know of substantial loans to either Doral

 Developments or Mayfair Leaseholds or North West Trust

 Company from the Treasury Branches of the Province of

 Alberta?
- A Not while I was a director.
- Q I see.
- I have heard since then that there was some loans from the Treasury Branch, but not when I was involved, by North West Trust Company.
- Q Did you advise Rabbi Saks to get out of North West Trust?
- A I only told him what I was doing.
- Q And you got out?

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rd since then that there was seems loans from the Branch, but not a line is a surely by Worth fact

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- 1 M 8
- J. Superstein Gill Ex.
- A I got out.
- Q Why?
- A I have already stated that.
- Q Were you scared at all?
- A I wasn't scared.
- O Did you feel it wasn't a wise investment?
- A I don't think so.
- Q You didn't lose any money on it, did you?
- A No -- I didnot make any.
- Q I see. Did you lose any money through your association with Dr. Allard?
- A Well, I lost money on these investments --- I lost the interest.
- Q Which investments?
- A Beg pardon?
- Q Which investments did you lose money on?
- A Well, I lost the interest. All I got -- my money back from these investments.
- Q Which companies were these?
- A North West Trust, Mayfair Leaseholds.
- Q Did you put any money into Mayfair Leaseholds?
- A Doral Investments.
- Q And why didn t you make any money out of it?
- A There wasn⁹t any money made.
- Q Did you know anything about the securities lodged by
- North West Trust Company with the Provincial Government?
- A No.

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Were you ecored at all?

I wasn't scared.

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J. Superstein - Gill Ex.

Q Did you know anything about lodging securities two ways, at all, by North West Trust?

A No.

Q Are you still involved in business with Mr. Maynard?

A Yes.

Q What sort of business is that?

A Well, we enjoy a partnership in a drive-in theatre called Belmont.

Q Called what?

A Belmont Drive-in.

MR. G.H.STEER:

I wonder, my Lord, if this isn't --

THE COMMISSIONER:

I don't see any relevance, as to

Mr. Superstein's business association with Mr. Maynard or anybody else particularly, as far as this inquiry is concerned.

Q MR. GILL:

Where was this located, this drive-in?

A North Edmonton.

Q And did a member of the government get a road put in there?

MR. MAYNARD:

Oh, now, Mr. Commissioner -- .

A Oh, I don't know anything about that.

MR. MAYNARD:

-- this question that my friend is

referring to was fully investigated by a Royal Commission set up in 1956.

THE COMMISSIONER:

I must -- go the limit on that --

unless there is something relevant in Mr. Superstein's relationship with Dr. Allard or Mr. Hooke, I'm not going to

-- I'm not investigating Mr. Superstein's business transactions.

EDMONTON, ALBERTA

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J. Superstein - Gill Ex.

- Q MR. GILL: Can you tell us any more, Mr. Superstein, about your association with Dr. Allard in
 - connection with Doral?
- A I can't tell you any more than what these Minutes show.
- Q You have no recollection?
- A I think that those Minutes are -- speak for themselves, and they are better than my memory.
- Q And if Doral wasn't a profitable investment, why would it be bought from Mr. Hooke and Mr. Prodor?
- A Well, I ve already answered that but I will be delighted to answer it again: I had nothing to do with any dealings between Hooke and Dr. Allard.
- Q Did that concern at all this lease from the Provincial Government concerning the North West Trust Building and Mayfair Leaseholds?
- A No.
- Q Thank you.

THE COMMISSIONER:

Mr. Bowen?

MR. BOWEN EXAMINES WITNESS:

Mr. Superstein, I would like to take you back to the -prior to the offer that was made on the Northwest Utilities
Building. Now, how long a period of time was taken up in
discussions before the offer was made -- that is, discussions
between you and Dr. Allard concerning such an offer?

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- I can't tell you any more than what theee Minutes show,
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Lildin . Now, how ong a period of time was taken up is

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- J. Superstein Bowen Ex.
- A I wouldn't know that.
- Well, can you estimate or give us an approximation, was it three months?
- A I couldnot give any such estimate.
- Q Was it a long time?
- A I replied that I couldn't give any such estimate.
- Q Well, I am trying to assist your memory.
- A Well -
- Q Did these negotiations start in 1958, for instance?
- A I don't remember.
- Q And did you have many meetings with Dr. Allard to discuss buying this building?
- A I don't remember.
- Q Do you recall any meetings that you had with Dr. Allard to discuss the putchase of this building?
- A I recall one or two.
- You recall one or two, could it be more than one or two meetings you had with him?
- A I don of remember.
- Were these personal face to face meetings or were they all telephone conversations?
- A I don't remember.
- Q Well now, Mr. Superstein, were you buying any other large buildings such as this during 1959?
- A I don't remember.
- Q I see, you don't remember whether this was the only

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Bowen Ex.

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- A I couldn't give any such estimate
 - Q Was it a long time?
- A I replied that I couldn't give any such estimate.
 - Q Well, I am trying to assist your mempry.
 - A Well --
- 9 Did these negotiations start in 1953, for instance?
 - A l'don't remember.
- Q And did you have many meetings with Dr. Allard to discuss buying this buildies?
 - A I don't remember.
- Q Do you recall any meetings that you had with Dr. Allard to
 - A I recall one or two.
 - Q . You recall one or two, could it be more then one or two
 - meetings you had with him?
 - A I don't nemember.
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- J. Superstein Bowen Ex.
- Q (Cont.) building you bought in \$59? I would like you to examine your memory on this, Mr. Superstein, what is your answer?
- A Please repeat the question?
- Q Did you buy any other building in 1959 other than the Northwestern Utilities Building?
- A No. I didn't.
- You didn't, so that this is the only one you bought. It was quite an important purchase I should imagine then, was it not? This was a big deal, wasn't it?
- A I wouldn't think, what is big about it?
- Q You don't think the purchase of a three hundred and sixty thousand or five hundred and fifty thousand dollar building is not a big deal?
- A Do you think it is a big deal?
- Q I am asking you, sir, for your opinion?
- A It is a fair deal.
- Q It was a big deal to you, wasn't it?
- A No, I said it was a fair deal.
- A fair deal, but this is the only one you bought in '59.

 All right. Now, when you were deciding to buy this building was the price that would be offered discussed between yourself and Dr. Allard?
- A Yes.
- Q And were many prices discussed?
- A Two.
- Q Two prices, and did you obtain any form of an appraisal as

EDMONTON, ALBERTA

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(Cort.) building year baught in 1597 I would like you to exemine your memory on this, Mr. Superstein, what is your spayer?

Please repeat the question?

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- J. Superstein Bowen Ex.
- Q (Cont.) to the value of this building before you made the offer?
- A I think Dr. Allard looked after that, I wouldn't know.
- Your evidence is today that you do not know whether an appraisal was obtained?
- A I was looking at it from the point of view of a family investment, I stated that the other day.
- Q Let's stick to my question, please, sir. You do not know today whether an appraisal was obtained on this building, is that your answer?
- A Are you telling me to answer your questions to suit you?
- Q I am asking you to answer my question.
- A I have tried to answer, sir, that the family owned the other lots and I felt it was a good investment.
- Q All right, I will again ask my question: did you obtain an appraisal on this Northwestern Utilities Building before you made the offer on it?
- A Not personally that I am aware of.
- Q Do you know whether there was an appraisal obtained?
- A I don't know.
- Q All right, you never saw one, is that right?
- A Not to my memory.
- Q How did you then estimate what you were going to pay for this building?
- A I valued it a great deal on the fact that we owned, the family owned the land adjacent to this building.
- Q Were there any buildings on the adjacent land that you owned?

2 - B - 4

- J. Superstein Bowen Ex.
- A Yes, and there still is.
- Q I see, you knew what those were worth, did you?
- A You never know exactly.
- Q So I take it then that you arrived at a figure of what this building was worth by relating it to other land that you had in the area?
- A I went a lot on Dr. Allard's opinion.
- Q I see.
- A He is more of a real estate man than I am, than I was.
- Q Had you not dealt in real property at that time to any extent, Mr. Superstein?
- A I would have to refresh my memory on that.
- Q Is that going to take time or do you want to take time now to refresh your memory?
- A Oh, maybe I could do it tomorrow.
- Q How do you propose to refresh your memory, by reference to your records?
- A That's right.
- Q In any event, you arrived at the price you were going to offer for this building?
- A Yes.
- Q And this was after discussion with Dr. Allard?
- A Yes.
- Q And after due consideration of what you thought it was worth?
- A Yes.
- Q In arriving at what you thought it was worth did you take

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J. Superstein - Bowen Ex.

- Q (Cont.) into account the rental value or the proposed rental value of the building?
- Well, Dr. Allard had some ideas about if we couldn't rent it to a National firm, or the Government, he had some idea about this car business going in there, that's all I remember.
- Q So that at that time you did discuss renting it to the Government? This is before you made the offer, is that right?
- A I said a National firm or the Government.
- Or the Government, right, but you then did discuss renting it to the Government before the offer was made to buy it, you discussed this with Dr. Allard, is that correct?
- A I said National firm or the Government.
- Q Did you discuss renting this building to the Government before the offer was made to Northwestern Utilities?
- A I said National firm or the Government.
- Q Will you please answer my question, Mr. Superstein?

MR. G. H. STEER:

My Lord, he has answered -

MR. BOWEN:

He has not answered.

MR. G. H. STEER: That answer is perfectly pertinent to the question, and I am suggesting that my learned friend cannot compel this man to make any other answer than he has made.

THE COMMISSIONER:

I think he has given you the answer.

MR. BOWEN:

I obviously can't, My Lord.

THE COMMISSIONER:

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SUPREME COURT REPORTERS EDMONTON, ALBERTA

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 J. Superstein Bowen Ex.
- THE COMMISSIONER: (Cont.) said he discussed the matter of renting it to a National concern or the Government, I mean that seems to be the two alternatives that were discussed.
- Q MR. BOWEN: All right, and what discussion took place with reference to renting it to a National concern or the Government?
- A Well, if we failed to do that Dr. Allard had some other ideas about these cars going in.
- You thought you would be able to rent it to the Government, didn't you, Mr. Superstein?
- A I said a National firm or the Government, and if I owned a building today, if I owned some property today, that property today, with the way the Government is renting space, the Dominion Government and the Provincial Government, I would write them a letter myself if I had that property.
- Q Yes?
- A It would be quite normal.
- Now, when the offer was turned down by Northwestern Utilities you were informed of this, were you?
- A Yes.
- And immediately you were prepared to offer \$20,000.00 more for the building?
- MR. MAYNARD:

 Now, Mr. Commissioner, I don't think

 that -
- A I don't like the word "immediately", I don't agree with it.
- MR. MAYNARD: Just a minute, the offer that was

- Bowen Bx.

OWEN (Cort.) said be discussed the matter of rowling it to a National concern or the Government, I mean that seems to be the two alternatives that were discussed.

MR. BOWEN: ' All wight, and what discussion took place with reference to renting it to a National concern or the Government?

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2-B-7 J. Superstein - Bowen Ex.

- MR. MAYNARD: (Cont.) subsequently made was only \$5,000.00 more than when it was offered by Dr. Allard in the first instance by the North West Trust Company, not \$20,000.00.

 There has been some confusion here and I think the record should be set straight.
- THE COMMISSIONER: Yes, my understanding is that the \$375,000.00 was the one, one offer, and then the selling price was \$380,000.00.

MR. MAYNARD: That 's right.

MR. BOWEN: Mr. Commissioner, my memory is that the \$375,000.00 was on terms, it was \$360,000.00 for cash.

MR. CLEMENT: That was Mr. Giannone's offer, three hundred and seventy-five on terms.

Q MR. BOWEN: Well, perhaps Mr. Superstein can tell us, we have had evidence from all counsel now.

MR. CLEMENT: We are pointing out to you what the evidence is.

- MR. G. A. C. STEER: Sir, we have had a lot of this asking witnesses when there are documents on record in this courtroom which will say what these things are.
- THE COMMISSIONER: There is ample documentary evidence, all the offers are in, get the Exhibits and let's not argue about what they are, they are all in writing and if there is any question about it, produce them.

MR. G. A. C. STEER: And not have the witness being pestered.

MR. BOWEN: Mr. Commissioner, I do not feel that I

am pestering this witness and I take grave offence at Mr.

EDMONTON, ALBERTA

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J. Superstein - Bowen Ex.

MR. BOWEN: (Cont.) Steer's suggestion that I am, sir.

I don't think you are pestering him but

I think, Mr. Bowen, that you might expedite your examination
by producing the documents, it seems to me that there are
documents here establishing the offer made by North West

Trust, the offer made by Giannone, and the final disposition
of it. I don't know why we should argue about the figures
when the evidence is in on them in writing.

MR. BOWEN: I have no intention of arguing about figures.

MR. G. A. C. STEER: And, sir, I withdraw the suggestion I made about pestering the witness, and I apologize to my friend. I do think he should be shown the documents.

MR. BOWEN: Thank you, Mr. Steer.

MR. G. H. STEER: I am not at all sure I don't agree with the word.

MR. BOWEN: We have a family compact.

MR. G. H. STEER: No, we have a distinct difference of opinion.

Q MR. BOWEN: You were prepared to offer more money than your first offer as soon as you heard that Giannone had bought the place, weren't you?

- A First of all I want to say "we", Dr. Allard and I.
- Q Right, you were prepared to offer more money?
- A We, we, we agreed to offer more money.
- Q The two of you?
- A We, the two of us, yes.

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12 BOWEN: (Cont.) Steerla suggestion that I am, alr

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- J. Superstein Bowen Ex.
- Why were you prepared to offer more money immediately you had heard Giannone bought it?
- Well, it is pretty hard for me to remember all the circumstances that would lead us to it, but if the building is worth three hundred and sixty we felt it was worth three eighty, it would be with what the Doctor had in mind and myself.
- Q This was more than you had offered originally though to Northwestern Utilities, was it not?
- A Well, the amount wasn t great, \$20,000.00, as you stated.
- Q I beg your pardon?
- A \$20,000.00, as you stated.
- Q Why were you so anxious to buy the building, Mr. Superstein?
- A Well, I don't think that is any of, I think that is my own personal business, why.
- Q That may be, but I would like an answer to it.
- MR. G. H. STEER: And he has answered it on two or three occasions, in my respectful submission.

THE COMMISSIONER: No, I think it is a proper question.

- Q MR. BOWEN: Why were you so anxious to buy this building, Mr. Superstein?
- A Hoping to make a good investment.
- Q I see, that is the only reason?
- A That is the only reason.
- Q Had you made arrangements for mortgaging this building prior to making the offer?
- A I left that entirely up to the North West Trust Company

- A Bowen Px.
- to disperse you prepared to affer sore money impediately you had beend diapace bought it?
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 - Q MR. BOWEN: Why were you so anxious to buy this
 - Luing, Mr. Superstein? N
 - and both

- J. Superstein Bowen Ex.
- A (Cont.) pretty well.
- Q You apparently weren't too satisfied with the North West Trust Company, you had cut down their fee, did you not?
- A Well, that was my own personal reasons.
- Q Yes?
- A I am entitled to that.
- Q Did you feel they hadn't done too much on this?
- A Well, I was the judge of that.
- Q Yes, right, it was you and Dr. Allard who were dealing really, was it not?
- A Well, I objected to the deal, my portion.
- Yes, so that your memory is that you do not remember whether a mortgage was placed prior to making the offer or arranged prior?
- A Normal procedure took place.
- Q What is that?
- A Normal procedure took place.
- Q What is the normal procedure?
- A Well, you will have to ask Mr. Miles what the procedure was, he acted as General Manager of North West Trust.
- Q Did you personally make any arrangements for a mortgage on the Northwestern Utilities Building before the offer was made to them by you and Dr. Allard?
- A The North West Trust Company acted on my behalf and they made the necessary arrangements.
- Q I take it then that you did not make any arrangements for a mortgage, is that your answer?

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A Well, that was my own personal reasons.

Q Yes?

A I am entitled to that.

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J. Superstein - Bowen Ex.

- I said the North West Trust Company acted on my behalf. A
- I think my question is clear, Mr. Superstein, and if you 0 don't understand it please tell me.

MR. G. H. STEER: Now, I think -

I think what he is saying is that the MR. CLEMENT: North West Trust Company did make the mortgage and that the North West Trust Company acted on his behalf; to me that

Pardon me, sir, with deference, that is Q MR. BOWEN: not what the witness is saying. All he says is that the North West Trust Company is acting, and he has got a perfectly clear question, sir, as to whether he made any arrangements for a mortgage.

Well, if you say "personally", then MR. CLEMENT: perhaps we can get around it.

I did say that. MR. BOWEN:

is perfectly comprehensible.

I am sorry. MR. CLEMENT:

Did you make any arrangements for a MR. BOWEN: 0 mortgage?

- A Not personally.
- On the Northwestern Utilities Building? Q
- Not personally, A
- Right. Did you make any arrangements to give the mortgage Q. company a deposit money for their mortgage? You don't understand?
- Will you please repeat that question? A
- Was there any money paid to the You don't understand. Q.

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MR. CLEMENT: 1 am sorry

MR. BOWEN: Did you make any arrangements for a

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for their

- 2 B 12
- J. Superstein Bowen Ex.- Crawford Ex.
- Q (Cont.) Great West Life as evidence of good faith on this mortgage?
- A Not by me personally.
- Q Do you know of any? It would appear not. Thank you, sir.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD EXAMINES THE WITNESS:

- Mr. Superstein, at the time that you and Dr. Allard had discussions in the Macdonald Hotel with a representative of Tankoos Yarman and Company, was the existence of the lease to the Government referred to?
- A I don't remember.
- Q What was discussed at that meeting then, Mr. Superstein?
- A I said that yesterday, what was that.
- Q No, but tell me afresh?
- MR. G. H. STEER: No, answer these questions again, please, and let $^{\circ}$ s get on with this. Answer the question again.
- A The discussion took place with Mr. Tankoos.
- Q MR. CRAWFORD: It was Mr. Tankoos personally, was it?
- A Well, I am pretty sure it was Tankoos, it was Tankoos
 Yarman was the name of the company.
- Q All right, let us presume it was Mr. Tankoos, what discussion was there?
- A He was interested in buying the building, he was there, I was there for about half an hour.
- Q Besides Mr. Tankoos, Dr. Allard and yourself, was there anyone else there?
- A No.

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mortzege?

A Not by me personally.

Q Do you know of any? It would appear not Thank you, sir.

ID COMMISSIONING: MI. CRESTOI

T: WITHESS:

Q Mr. the time that you and Dr. Allard had discussions in the Macdonald Hotel with a representative of Tankoos Yarman and Company, was the existence of the lease to the Government referred to?

I don't remember.

Q What was discussed at that meeting then, Mr. Superstein?

A I said that yesterday, what was that.

Q No, but tell me afresh;

MR. G. H. STEER: No. answer those questions again, please

and let's get on with this. Answer the question again.

A The discussion took place with Mr. Tankoos.

Q MR. CRAWFORD: It was Mr. Tankoos personally, was it?

Yarman was the name of the company

at , acodust . The was it was it.

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, was there

- J. Superstein Crawford Ex.
- Q What offer was made for the building at that time?
- A Well, he was talking all kinds of figures, I don't remember them exactly, it was in the five hundred thousand dollar mark.
- Q How was that price arrived at and who proposed that?
- A I wouldn't know, I wouldn't know what Dr., what Mr.

 Tankoos was thinking, how he arrived at it.
- Q You had your own figure in mind too, didn't you, Mr.

 Superstein, you weren't just there entirely for the purpose of listening to him?
- A We had a figure in mind.
- Q You were willing to sell at a price?
- A Approximately \$550,000.00.
- Q And how did you arrive at that price?
- A I wouldn't know how we arrived at it.
- Was there any relationship at all between the price that you proposed in the neighbourhood of \$500,000.00 and the fact that there was a lease arranged?
- A It would have some bearing.
- Q So that if it had some bearing it is obvious that the lease was known of by that time?
- A Well, I would like to, what day are we talking about?
- Q The day that you met Mr. Tankoos?
- A What day was that, I don't remember the date?
- Q I wasn't there Mr. Superstein.
- A Well, I don't remember the date.
- Q Well, the date doesn't matter as to the answer of my

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	femis sent se priblind ons not shen and selfo sell
	Well, he was talking all kinds of figures, I don't
	remon them exactly, it was in the five hundred theusand
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	and the state of t

W would li what day are we talking about?

leader the date?

- J. Superstein Crawford Ex.
- Q (Cont.) question, does it?
- A It matters to me.
- Q It matters to me too because I asked you whether or not the lease was known of at the time of the meeting, and then you started asking me the date of the meeting; now, answer my question?
- A I would like to refer to the -
- Q To the minutes of the meeting? All right, what would you refer to to get an answer to that question?
- A Well, I don t remember the date I met Mr. Tankoos, I remember meeting him though.
- Yes, and do you remember if the lease to the Government ever, if reference to it ever passed the lips of any person present or was Mr. Tankoos interested in buying an empty building?
- A Mr. Tankoos had his own purpose for buying it.
- Q The lease -
- A He had some estate problems.
- Q The lease was material, wasn't it, Mr. Superstein?
- A I would think so at that time.
- Q Then would you agree with me it is most likely that the lease was known of by that time?
- A That is why I wanted to refer to the date.
- Q I see.
- A Before I answered that question.
- Q Well then, suppose you tell me what date you became aware of the lease on it, if you prefer to do it that way?

question, does it?	((Cont.
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- It matters to me too because I asked you whether or not the least was known of at the time of the meeting, and then you started asking me the date of the meeting; now, answer
 - ends of refer to the -
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 - 2 Then wor you agree mo it is most likely that the
 - ye, ... Yemri Jea ya No nwonn asw sassi

- 2 B 15
- J. Superstein Crawford Ex.
- A Well, what they showed me yesterday, it was sometimes in May.
- Q You became aware of the lease in May?
- A What was shown here.
- Q Now, that just is not right, is it, Mr. Superstein?
- A May 1959 I think.
- Q Are you serious?
- MR. G. H. STEER: The document will -
- A I don't know, I have to look -
- MR. G. H. STEER: The documents will establish that.
- A I would have to look at the lease document.
- MR. G. H. STEER: With all respect, sir, it seems to me that the witness is perfectly responsive to all questions, the date when this lease was granted is known, and he says that if he can be informed of the date that he met Tankoos at the hotel the answer to the question becomes obvious.
- MR. CRAWFORD: And I am not satisfied with that sort of response, Mr. Commissioner.
- THE COMMISSIONER: No, I think Mr. Crawford's question is perfectly proper, that he wants to know when Mr. Superstein was aware that there was a lease with the Government, and that is the gist of your question, is it not, Mr. Crawford? I think the question is proper.
- MR. CRAWFORD: May I ask you this, Mr. Superstein:

 in your experience in real estate how do you arrive at a

 rough valuation of property based on rents payable under a

SUPREME COURT REPORTERS EDMONTON, ALBERTA

 $A=-\{A,A\}$ which they showed me yesterday, it was senstimes in

You became aware of the leese in May?

What was shown here.

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2 Are you serious?

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IR. CRAWFORD: And I am not satisfied with that sort

THE " SCONER No, I think Mr. Crawford's question is to the when Mr. Superstate

- J. Superstein Crawford Ex.
- Q (Cont.) lease? That can be done quite easily; now, how do you do it?
- A I haven't got that much experience.
- Q Well, let's say then that you are without as much experience as you would like to have, but all the same you must have a method of your own in arriving at a rough appraisal of property based on the amount payable under a lease?
- A Well, that's why I had North West Trust Company act for me, and it is usually based on your investment, when you can recover your investment.
- So that you had the North West Trust Company act in order that they could arrive at a figure of five hundred to five hundred and fifty thousand dollars?
- A They helped me and guided me.
- Q They guided you, and did Mr. Miles guide you in that respect?
- A He had certain suggestions to make.
- Q When did he make the suggestion the property was worth five hundred to five hundred and fifty thousand dollars?
- A I don't know exactly when, but we had discussions.
- Q Would it be prior to your talk with Mr. Tankoos?
- A In the interval.
- Q It would have to be because that was the figure you used, it would have to be before because that was the figure you used to speak to Mr. Tankoos, is that right?
- A Dr. Allard did most of the talking, I didn't know Mr. Tankoos until that day, never met him before in my life.

- Q (Comi.) lease? That can be done quite easily; now, how do you do it?
 - I haven't got that much experience.
- Well, let's say then that you are without as much experience as you would like to have, but all the same you must have a method of your own in arriving at a rough appraisal of property based on the amount payable under a lease?
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 - . a ti interval
 - d have t bec

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- J. Superstein Crawford Ex.
- Q But you didn't go to the meeting without any idea what the property might sell for?
- A Well, Dr. Allard and I felt it was, it should be worth around \$550,000.00.
- Q And your evidence so far is that suggestion was made by Mr. Miles to the best of your memory?
- A To Mr. Tankoos you mean?
- Q No, by Mr. Miles to you so that you would know what the property was worth?
- A Well, there was discussion going on and Dr. Allard made the suggestion to Mr. Tankoos, Mr. Miles was not present there.
- And I am going to just ask you once more, Mr. Superstein, and see if you can answer for me: you did say that the existence of the lease would have been important to Mr. Tankoos on that day, didn't you?
- A Yes.
- Was the amount of rent payable under the lease used in arriving at the figure of five hundred to five hundred and fifty thousand dollars?
- A There were so many measuring sticks at that time that I don't remember, I can't pin it down to one particular point.
- Q Whose measuring sticks were they?
- A Well, Dr. Allard's, the Trust Company's suggestions.
- Q And your own thoughts?

arstell - Crawford Dr.

Ft. lidn't go to the mesting without ony idea what the

Well, Allard and I felt it was, it should be worth around \$550,000.00.

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 - Yes

Was the amount of rent payable under the legae used in arriving at the figure of five hundred to five hundred and fifty thousand dellars?

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- J. Superstein Crawford Ex.
- A Yes, my own thinking, I understand.
- In the intervening period Mr. Superstein, have you had occasion to become more experienced in the real estate than you were in 1959?
- A Since 1959?
- Q Yes?
- A Yes.
- Do you now know of any rough rule that you can use to appraise a piece of property based on the amount of rent payable under a lease?
- A Well I know a little more now, yes. If you can recover your capital investment in seven to ten years it is a fair investment.
- All right, on those figures wouldn't it be fair to say that a rule of thumb in use by real estate people in Edmonton today is that one hundred times the monthly rent is a fair beginning price, is that right?
- A I am not capable to answer that kind of question, that is a calculated question.
- Well, that is your capital in seven to ten years Mr. Superstein?
- A Well, you are going into such a calculated question that I couldn't answer.
- Q Going into a deal which is routinely known to people in the real estate business in Edmonton?
- A Yes but I am not in the real estate business to that extent.
- Q And your arithmetic isn't very good, is that your testimony

- ir Crawford Ex.
- my own thinking, I understand.
- In the intervening period Mr. Superstein, have you had occasion to become more experienced in the real estate than you were in 1950?
 - A Since 1959?
 - Q Yes?
 - A Yes
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 - Q Well, that is your capital in seven to ten years Mr.
 - Superstein?
 - Wall you are g .. into such calculated question it I
 - al offe of word wie

- 2-P-2
 J. Superstein Crawford Ex.
- Q (cont.) this morning Mr. Superstein? Well, let us just not ask you to answer that but \$5,500.00 a month times one hundred is \$550,000.00, isn't it? What was the rent payable under the Government lease, approximately \$5,500.00 a month?
- A We can look it up.
- Q Yes, it is in there?
- A Yes, it is in there so we can look it up.
- Q Was that known to you when you saw Mr. Tankoos?
- A Yes.
- Q You knew the amount of the rent?
- A You are talking gross now, are you?
- Q Yes?
- A Yes, there is a difference between gross and net.
- I thought you would know that Mr. Superstein. Now Mr. Superstein, referring to Exhibit 31 so there is no difficulty over dates, the North West Trust Company signed a Transfer in favour of Mr. Peacock on the 30th of April, 1959. As of that day the deal was finished in the sense that the property had been sold at a price arrived at of \$550,000.00. How long before that day did you see Mr. Tankoos?
- A I don't remember the date I saw Mr. Tankoos. I wish I could get the date and the only way to get the date is to go to the Macdonald Hotel where he was registered and get the date.

 I don't remember the date.
- Would you agree with me that you saw Mr. Tankoos more than one or two days prior to the completion of the deal?

SUPREME COURT REPORTERS EDMONTON, ALBERTA

Repostata - Coswiord Ex.

(coat.) Line morning Mr. Supersteln? Well, let us just not ask you to answer that but \$5,500.00 a month times one hundred is \$550,000.00, isn't it? What was the rent payable under the Government lease, approximately \$5,300.00 a month?

We can look it up.

Yes, it is in there?

A Yes, it is in there so we can look it up.

Was that known to you when you saw Mr. Tenkoos?

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I don t remon the date I saw Mr. Tankoos. I wish I

egen out son has become no put enough Is

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- 2-P-3 J. Superstein - Crawford Ex.
- A No I can't pin it down, you say one or two days and I can't make that statement, I don't know how many days.
- Q Don't you know it was more than one or two days?
- A I don't know.
- Q It could have been just the day before that?
- A If we get the flight and the date he registered we can get the day Mr. Tankoos was here. I am unable to answer that question.
- Q I want you to test your memory as far as you can Mr.
 Superstein and tell me, if you can, how long prior to the
 conclusion of the deal you saw Mr. Tankoos, one day, one
 week, ten days?
- A I don't remember.
- Q Can you say that it was not more or less than a week?
- A I don't remember.
- Well, let us then establish this Mr. Superstein. The day that you first became aware of the lease was sometime after April 28th and I will refer you to your testimony in that connection, page 2510 Mr. Steer, this is the evidence of Mr. Superstein yesterday and Mr. Superstein, I just want you to confirm for me the statement I have just made that you knew nothing of the lease until after April 28th, 1959 based on evidence you gave at page 2510 yesterday, to this effect:
 - " Q MR. GILL: Mr. Superstein, I am showing you Exhibit 35 in these proceedings, which is an

No I cas 't pin it down, you say one or two days and T sas't make that statement, I des't know how many days.

- Don't you know it was more than one or two days?
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 that you first became aware of the lease was senetime after
 April 28th and I will refer you to your testimony in that

Superstein yesterday and Mr. Superstein, I just went you consist for me the statement I have just made that you nothing of the lease until after April 28th, 1959 __ M

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- 2 P 4
- J. Superstein Crawford Ex.
- Q (cont.)
 - Indenture made on the 28th of April in the year of our Lord 1959, and it bears a signature, the original in duplicate, A.J. Hooke, acting Minister of Public Works; have you ever seen that document before?
 - A No, I have never seen it.
 - Q Did you know about it on April 28th 1959?
 - A About this document?
 - Q About the lease between Mayfair Leaseholds
 Limited and the Government of Alberta?
 - A Well, I didn't know about this document.
 - Q But you knew there was going, you knew there was going to be a lease of the building you owned half of actually?
 - A I didn't know that, no.
 - Q You didn't?
 - A No."

Now, were you mistaken when you gave that evidence yesterday Mr. Superstein?

- A Well I was referring to the document they showed me they thought Mr. Hooke signed which I had never seen until yesterday.
- Q " Did you know about it on April 28th 1959?
 - A About this document?
 - Q About the lease between Mayfair Leaseholds
 Limited and the Government of Alberta?

S e 18

Indeature made on the 18th of April in the year of our Lord 1959, and it bears a signature, the original in duplicate, A.J. Hooke, acting Minister of Public Works; have you ever seen that document before:

- A No, I have never seen it.
- Q Did you know about it on April 28th 1959?
 - A About this document?
- Q About the lease between MayPair LeaseNelda
 Limited and the Government of Alberta:
 - Well, I didn't know about this document,
- Q But you knew there was going, you knew there was going to be a lease of the building you owned half of actually?
 - A I didn't know that, no.
 - Q You didn't?
 - A No."

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- 2 P 5
- J. Superstein Crawford Ex.- Dowding Ex.
- Q (cont.)
 - " A Well, I didn't know about this document.
 - Q But you knew there was going, you knew there was going to be a lease of the building you owned half of actually?

A I didn't know that, no."

Now, were you mistaken when you gave that evidence yesterday?

- A All I said is I didn't know about the document that was shown to me yesterday which was signed by Mr. Hooke. I didn't know who signed it.
- MR. G.A.C. STEER: And also the question about it at page 2519, sir.
- MR. CRAWFORD:

 I can't go through all of the contradictions in Mr. Superstein's testimony at the same time.

Those are all my questions thanks Mr. Superstein.

THE COMMISSIONER:

Mr. Dowding?

MR. DOWDING EXAMINES THE WITNESS:

- Q In May of 1959 you were a shareholder of North West Trust and a Director?
- A May 1959? Yes.
- Q And --
- MR. G.A.C. STEER: I think the record will indicate

 May of '59 he was not a Director.
- Q MR. DOWDING: Not a Director?
- A October 17th I said before, October 17th, 1959 I became a

- Crawford Ex.

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" A Well, I didn't been about this decement.

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Those are all my questions thanks Mr. Superstell.

IHE COMMISSIONER: Mr. Dowding?

In May of 1959 you were a shareholder of North West Trust

- 2 P 6
- J. Superstein Dowding Ex.
- A (cont.) Director but there are documents for that.
- So that at this time there appeared to be two connections between North West Trust and Mr. Hooke. One was he signed the lease, you have seen the lease which is an Exhibit here, haven't you Mr. Superstein?
- A Yes sir.
- Q You know that he signed the lease?
- A Yes.
- Q And the other connection is between Doral Developments and Mr. Hooke, you were aware of that?
- A No I wasn't.
- Q Not at all? You didn't know Mr. Hooke was in that company?
- A No I didn't know.
- Q Did you have any discussion with Dr. Allard with respect to getting the lease?
- A Would you please ask that question again?
- Q Did you have any discussion with Dr. Allard about getting the lease of the Northwestern Utility Building?
- A I had discussion with Dr. Allard about getting a lease, National or Government lease, yes.
- Q Yes, and when you say Government, did you mean or did he mean the Provincial Government, was that understood?
- A Well no, that was not understood.
- Q Well, you were aware at that time, in April, were you not, that Dr. Allard had negotiated with the Government additional powers to North West Trust?

-) Director but there are documents for that.
- @ So that at this time there appeared to be two connections between North West Trust and Mr. Hooke. One was he signed the lease, you have seen the lease which is an Exhibit here, haven't you Mr. Superstein?
 - A Yes sir
 - Q You know that he signed the lease?
 - A Yes.
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 - Q s, and when you may Government, did you mean or did has rovincial Government, was that understood?

- 2-P-7
- J. Superstein Dowding Ex.
- A What date did you say?
- Q In April?
- A In 158?
- Q Yes, '59?
- A Well, as a shareholder I received a notice from North West Trust that I would like to look over.
- MR. G.A.C. STEER:

 I would suggest sir that is not the evidence, that Dr. Allard had negotiated, whatever it is my friend says he negotiated.
- Q MR. DOWDING: Perhaps I could show a copy to Mr. Superstein and maybe he can tell me where the original of the copy is, I don't have it.
- MR. G.H. STEER: Could I see it? I have it here,

 don't worry. At least I have a carbon copy of it, that is

 all that we have.
- Q MR. DOWDING: Do you recall receiving such a letter from Dr. Allard, president of North West Trust, Mr. Superstein?
- A Yes, I refreshened my memory yesterday at least on the copy

 Mr. Steer just handed me.
- Q And what interest did you have in North West Trust Company at that time?
- A I was a shareholder.
- Q Did you have substantial holdings?
- A I had approximately and, I would have to refer to my records and subject to my auditor's records, approximately, maybe

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In April?

In \$883

Yea, 1597

Well, as a sharebulder I received a netten from Worth West

MR. G.A.C. STEER: I would engaget sir that is not the

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to refer to

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2 - P - 8

J. Superstein - Dowding Ex.

A (cont.) fifteen to nineteen thousand dollars in shares.

Subject to a check now, I don't know.

Q You had ended up with seventy thousand shares, hadn't you, at one stage or was it \$70,000.00 worth?

A Not me.

Q No. How many shares did you have?

A I think you have got somebody else in mind.

Q How many shares did you have at that time in May of 1959?

A Well, this is an offering of shares here.

Q You had 19,000A shares according to the company records?

A Yes, that is about it.

MR. CLEMENT: What year is that?

MR. DOWDING: 1959.

MR. CLEMENT: December 31st?

MR. DOWDING: This is a report of December 31st,

1959.

MR. MAYNARD: You are now talking about May.

MR. DOWDING:

I am talking about May, I would have
to ask the witness when he acquired those shares. It doesn't
show on the company record.

MR. CLEMENT: You could look at December 31st, 1958 for a comparison of it.

THE COMMISSIONER: Mr. Steer?

MR. G.A.C. STEER:

I tried to make some inquiries of
North West Trust as to when Mr. Superstein's shares were
acquired and I made a note of the telephone conversation.

The 27th of September '58, five thousand common; 31st of

SUPREME COURT REPORTERS EDMONTON, ALBERTA

olr - Dowding Ex.

(cost.) Fifteen to mineteen thousand dollars in shares.

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MR. DOWDING:

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(I You could look at December 31st, 195]

for a comparison of it.

- 2-P-9
 J. Superstein Dowding Ex.
- MR. G.A.C. STEER: (cont.) October, '58, 9,500 common and, I
 am not sure, having seen some other documents whether that
 wasn't 9,000 and 500 in two separate packets. This is the
 information I got. 21st of November '59 a thousand class
 B but that was as a result of reorganization of capital and
 I don't know where he got the shares that resulted in the
 one thousand class B, sir.
- Q MR. DOWDING: Does that accord with your recollection Mr. Superstein?
- A Yes.
- And at the end of December '58 the record shows you had been allotted five thousand A shares and sometime after that date it had gone up to nineteen thousand in the year 1959?
- A I stated that I had approximately fifteen to nineteen thousand shares.
- And you had share options available to you and with respect to this letter you got, did you receive it in May of 1959 from Dr. Allard?
- A Yes.
- Q I note it is directed to you, not just a shareholder but to you. Now, had you any discussions with Dr. Allard about the expected growth of North West Trust Company at that time?
- A I don't remember that.
- Q But you see Mr. Superstein, you were enjoying very favourable relations with Dr. Allard, you had concluded with him a deal where you had a half interest in acquiring the Northwestern

. Downling Ex.

- NR. G.A.C. STEER: (occi.) Getober, 138, 9,300 common and, 1 am not sure, having seen some other documents whether that waen't 9,000 and 500 in two separate packets. This is the information I got. 21st of November 159 a thousand class.
 B but that was as a result of reorganization of capital and I don't know where he got the shares that resulted in the one thousand class B, air.
 - Q MR. DOWDING. Does that accord with your recollection Mr. Superstein?
 - A Yes.
- Q And at the end of December 158 the record shows you had been allotted five thousand A shares and sometime offer that date it had gone up to nimeteen thousand in the year 1959?
 - A I stated that I had approximately fifteen to hineteen thouse
 - And you had share options available to you and with respect
 to this letter you got, did you receive it in May of 1959
 from Dr. Allard?
 - .zoY A
 - Q I note it is directed to you, not just a charchalder but to
 yo Now, had you any discussions with Dr. Allard about t
 exp: growen __ West Trust Company at that throl

- 2 P 10
- J. Superstein Dowding Ex.
- Q (cont.) Utilities Building, you got your profit out of that deal before this letter, you had apparently discussed leasing the building to the Provincial Government or some Government or some other body. You were obviously at close relations with him, were you not?
- A It was a business acquaintance.
- Q In a business way? Right?
- A Business acquaintance.
- And you were aware that in that very important spring of 1959 North West Trust Company was going to get the green light to go ahead, you knew that, didn't you?
- A I don't know what you mean by green light, that is a new interpretation.
- Q You see the letter here of Dr. Allard which you say you received?
- A What does green light mean?
- Q Green light means the permission from the Government for the company to expand. You knew that, didn't you?
- A I received a letter as a shareholder telling me how the company was doing and what they hoped in the form in the letter Mr. Steer has.
- MR. G.H. STEER: That is the letter I have.
- MR. DOWDING:

 Well look at the letter, in the second paragraph, part way through the second paragraph

 Mr. Superstein, Dr. Allard says to you "It is gratifying to be able to report that in the early part of the year --"

 that means, now, this was written in May "-- in the early supreme court reporters

EDMONTON, ALBERTA

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Use cont.) Utilities Building, you get your profit our of the deal before this letter, you had apparently discussed leasing the building to the Previncial Government or some Government or some other hody. You were obviously on close relations with him, were you not?

- It was a business acquaintance
 - Q In a business way? Right?
 - A Business sequaintance.
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That is the letter I have.

Jean of Fi

2-P-11

- J. Superstein Dowding Ex.
- Q (cont.) part of the year we obtained from the

 Provincial Government all the powers for which we asked."

 So you knew that? You knew it in May? Did you know it in the early part of the year?
- A Well, I knew it when I got that letter.
- Q I am asking you not that but, did you know it in the early part of the year that North West Trust had got the powers for which they had asked the Government?
- A I knew it when I got that letter, on the date of that letter.
- Q Now Mr. Superstein, please don't fence, my question was did you know it earlier in the year?
- A I knew it when I got that letter.
- Q Forget the letter, forget you ever received it, did you know earlier in the year?
- A I did not.
- Q You had had discussions with Dr. Allard about North West

 Trust earlier in the yearhad you not? You were a member
 of the company then?
- A I was a shareholder.
- Q And you had options, in the ground floor, weren't you?
 Right?
- A Based on the letter which came from the North West Trust Company.
- Q And you were on close terms with Dr. Allard were you not in March?
- A What do you mean by close terms?
- Q Well business terms, you went into deals together?

- ... 'ed Dawding Rs.
- (cont.) part of the year we obtained from the Provincial Government all the powers for which we naked," So you knew that? You knew it in May? Did you know it is the early part of the year?
 - Well, I knew it when I got that letter.
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 Trust earlier in the year Had you not? You were a mombor
 of the company then?
 - I was a shareholder.

 - ent 1 ter which came from the North West
 - fam y ouse by

- 2 P 12
- J. Superstein Dowding Ex.
- A He was a business associate.
- Q Yes and you talked business together, didn't you, from time to time in the spring of 1959?
- A We had some discussions.
- Q And later on in the spring you went into a company with him, Doral Developments, right?
- A Mayfair and Doral.
- Q Mayfair and what was the purpose of going into a company with him, to develop what? To do what?
- A Originally Mayfair Development was set up to handle the lease of the Northwestern Utilities Building.
- Q And then what about Doral Development, you found yourself, to your surprise to be a shareholder in that too?
- A Not to my surprise, I had one share there.
- Q What was your surprise? Were you surprised that you found you were in bed with Mr. Hooke that you didn't know?
- MR. CLEMENT: Oh come now, sir, there is no evidence of that.
- A This is a complete unfounded statement --
- THE COMMISSIONER: That is a completely improper question.
- A Unfounded completely and I resent that kind of statement.
- MR. DOWDING:

 To avoid the delay that will

 result from the objections --
- MR. G.A.C. STEER: Well sir, it really is a most objectionable practice to put a question like that when that is not the evidence. And this is what ought to be dealt

A a business associate.

You and you talked business together, didn't you, from time to time in the apring of 1959;

- A We had some discussions.
- And later on in the spring you went into a company with him, Doral Developments, right?
- sy is and what was the purpose of going into a company with him, to develop what? To do what?
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 - MR. CLEMENT: Oh come now, sir, there is no
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 - THE IDMMISSIONER: That is a completely improper

To avoid the delay that will

2-P-13

J. Superstein - Dowding Ex.

MR. G.A.C. STEER: (cont.) with, sir.

MR. DOWDING: Well, I have here Mr. Commissioner

a document which shows allotments to Doral Development

Limited to Alfred J. Hooke and Edward Prodor and if my

recollection is correct, Mr. Superstein said he didn't know

they were in this, had no knowledge of this.

THE COMMISSIONER: Mr. Steer?

MR. G.A.C. STEER: The dates, of course, are rather material.

MR. G.H. STEER:

My Lord, on the statement that I

made this morning as to what these documents disclose it is

perfectly apparent that Mr. Superstein would not know.

Q MR. DOWDING: Do you mean that -- let's attack it from a different angle Mr. Superstein about your knowledge

A What do you mean by attack. I don't understand that kind of terminology.

MR. G. H. STEER: We understand.

Q MR. DOWDING: We are trying to attack the problem of what you know and what you don't know and we will address ourselves to that problem not attack you personally Mr. Superstein, that we are not permitted to do but, looking at the annual report for Doral Development Limited as amended and was dated, a date stamp, October 14th, 1960, it shows transactions between you and the other shareholders. Have you looked at that document?

A This is the first time.

J. men as - Dooding En.

MR. J.A.C. STEER: (cont.) with, ola.

MK. DUWDING:

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Limited to Alfred J. Hooke and Edward Prodor and if my

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MR. DOWDING: We are trying to attack the

problem of what you know and what you don't know and was well address ourselves to that problem not attack you that we are not permitted to do

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- 2 P 14
- J. Superstein Dowding Ex.
- Q First time you have looked at it?
- A I think.
- Q Were you aware that those persons were shareholders of that company in that year? Look over the list?
- A No, I don't know.
- Were you aware that the shares that were transferred in that year between various shareholders in the company?
- A Dr. Allard never told me anything about Hooke and I had no knowledge of it at all.
- Q Well isn't that what I just asked you a few minutes ago and I found myself under attack for doing it?
- MR. MAYNARD:

 Oh no, no. Mr. Commissioner, Mr.

 Dowding was not, he was under attack for the expression he used, not for the information he was trying to get.
- MR. DOWDING:

Oh, well I will certainly revise --

MR. G.A.C. STEER:

Mr. Commissioner, --

MR. MAYNARD:

I think we have had too much of this already, I don't think Mr. Dowding should carry on the way he is, attempt to carry on the attacks that Mr. Wright has

been bringing to this Inquiry ever since it started.

- A You stated I found myself in bed with Mr. Hooke?
- MR. GILL:

 Mr. Wright isn't here to defend

 himself but, I shall take that duty on and, that remark is

 not called for Mr. Commissioner.
- THE COMMISSIONER: Well, let us just get on with the question here and let's not indulge in any --

'ain - Douding Er.

Were you awars that those persons were sharehalders of that

- A No, I don't know.
- Were you aware that the shares that were transferred in thety year between various shareholders in the company?
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 - MR. DOWDING: Oh, well I will certainly rowise --
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 - already, I don't think Mr. Dowding should carry on the way the is, attempt to carry on the attacks that Mr. Wright has
 - A Y coll i out myself in bed with Mr. Hooke? . .

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2-P-15

J. Superstein - Dowding Ex.

Q MR. DOWDING: Really, what I should say and quite properly I think you drew my attention to it, you were associated without your knowledge to Mr. Hooke is that true?

A I was not associated with Mr. Hooke.

MR. G.A.C. STEER:

That is not true.

. Panding Bx.

Really, what I should say and quite

ogs I think you drew my attention to it, you were

associated without your knowledge to Mr. Hooke is that true?

A I was not associated with Mr. Hooks.

That is not true.

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2-M-1 J. Superstein - Dowding Ex.

Q You were in the same company with him without your knowledge?

MR. G.H.STEER: That is not so.

A That was not the case.

MR. G.H.STEER: And this document, my Lord, shows

that it was not so. It is perfectly clear, just as I stated this morning, that Paris Investments Ltd. and Mayfair Leaseholds Ltd. acquired the shares of Hooke and Prodor in this company, and subsequently those shares were acquired by Mayfair Leaseholds Ltd. On November 12th -- this is the statement I made this morning -- on November 12th, 1959, a directors meeting of Mayfair Leaseholds was held. Paris Investments and Allard sold fifty shares each of Doral to Mayfair Leaseholds for \$23,138.00. Then Mr. Superstein, by reason of his association with Mayfair Leaseholds, became associated with Doral, and at that time Hooke and Prodor had both left Doral, and it is obvious on the face of the document.

MR. CLEMENT:

Do you wish the Minute put in?

MR. G.H. STEER:

Oh, yes.

MR. CLEMENT:

Of November 12th. I will put in the

Minute of November 12th, 1959, sir -- Dr. C. A. Allard, and Paris Investments Ltd. represented by Dr. Allard, together with Mr. A. G. Macdonald -- .

THE COMMISSIONER:

Exhibit 347.

MINUTE OF NOVEMBER 12th, 1959, IS PRODUCED, IS MARKED EXHIBIT 347.

And I also had intended to put these

MR. CLEMENT:

2-M-2 J. Superstein - Dowding Ex.

MR. CLEMENT: (Cont.) documents in in re-examination -- I will put them in now: transfer of shares, Edward Prodor to Paris Investments, dated November 2nd, 1959; transfer of shares, Hooke to Allard, November 2nd, 1959, accounting for the one hundred shares in the capital stock and outstanding, as I understand the records.

THE COMMISSIONER:

THE COMMISSIONER:

Are there two separate documents

there?

MR. CLEMENT:

I wish to put them in separately, sir.

Yes. Exhibit 348 will be the

transfer from Prodor to Paris Investments, and 349 the transfer from Mr. Hooke to Dr. Allard.

TRANSFER FROM PRODOR TO PARIS INVESTMENTS IS MARKED EXHIBIT 348.

TRANSFER FROM HOOKE TO ALLARD IS PRODUCED, IS MARKED EXHIBIT 349.

- MR. DOWDING: When did you discover, Mr. Superstein, that you had acquired an interest in November of 1959 in a company that Mr. Hooke had previously owned? When did you know that?
- A Yesterday.
- Q Is that right?
- A The first time.
- Was there any land involved in the acquiring of this acquisition of this company or the shares by Dr. Allard and then later in conjunction with you?
- A Well, I came indirectly involved with Doral, and I didn't know anything about the deal that Dr. Allard made with Mr.

SUPREME COURT REPORTERS EDMONTON, ALBERTA

CLEME (Cost.) decuments in ma-symmiastics -- 1 will pu ... the is now: transfer of shares, Edward Predor to Parts tmosts, dated November 2nd, 1959; transfer of shares.

37 . Hooks to Allard, November 2nd, 1959, in for the one hund od shares in the capital stock and cutstanding, as I understand the records.

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Are there two separate ducumnnta

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THE COMMISSIONER: Yes, a Exhibit. 24% will be in

transfer from Mr. Works to Dr. Aliand

TRANSFER FROM PRODUCE TO PARTS INVESTMENTS IS MARKED EXHIBIT 348.

TRANSFEL FROM HOOKE TO ALLARD IS PRODUCED, IS MARKED EXHIBIT 349.

MR. DOWDING: When did you discover, Mr. Superstell

that you had acquired an interest in November of 1950 in

a company that Mr. Hooke had previously owned? When did
you know that?

Yesterday.

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2-M-3 J. Superstein - Dowding Ex.

- A (Cont.) Hooke. I never knew Mr. Hooke in those days, only by name.
- I see; and with respect to the shares that you acquired, according to the annual report, it says one share, November 13th, 1959 from -- it doesn't say on this document but I assume from Mayfair Leaseholds -- and then one share already held by you, according to this document. When you went into it do you know how much you paid for the share?
- A Paid for what share?
- Q The shares that you acquired?
- A What company?
- Q That's in Doral Developments Ltd., November of 1959.
- MR. G.A.C.STEER: That, sir, is in the Minute book of Mayfair -- .
- A I will have to refer to the Minute book of Mayfair -- .

about it -- didn't discuss it at all?

tr**a**nsaction.

MR. G.A.C.STEER:

Q

MR. DOWDING: Then, I take it you knew nothing

--- 1959 -- sets out the whole

- A All I am saying is that instead of trying to refresh my memory, if you will refer to the Minutes, and that speaks for itself, and we could save a lot of time, in my opinion.
- Q Then, with respect to what the assets of Doral Developments were, did you have any knowledge of them at any meeting of Mayfair or any meeting of Doral? Any knowledge of the assets of that company, Doral Developments Ltd., in 1959?
- A You mean the value of the assets?

 SUPREME COURT REPORTERS
 EDMONTON, ALBERTA

(Cont.) Hooke. I maver knew Mr. Hooks in those days, thiy by name.

I see; and with respect to the shares that you acquired, according to the annual report, it says one share, November 13th, 1950 from -- it doesn't say on this document but I assume from Mayfair Leaseholds -- and then one share already held by you, according to this document. When you went into it do you know how much you paid for the share?

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Then, with respect to them at any meeting of you he in kne ige of them at any meeting of them at any meeting of

orld So w sl v.u. SIA

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- 2-M-4
- J. Superstein Dowding Ex.
- Q Yes.
- Well, we had in mind -- we had some land on 97th Street -I don't know the exact avenue -- that place, and we were
 hoping to build a shopping centre, which fell through,
 and then by that time -- it got around to '60, and I was
 thinking about getting out of the whole investment, which I
 did.
- Q Were you associated at that time with Belzberg, Sam Belzberg?
- A Yes, when I was a director of the company he also was a director.
- Q Yes.
- A And in \$58 when I was making this investment I had a few chats with him from time to time about making these investments in North West Trust.
- Q I see, in North West Trust?
- A Buying shares.
- Q And did he go into North West Trust at the same time that you did?
- A I can't answer when he went in -- I wouldn't know, but ---.
- Q Well, it's a matter of record -- I just wondered if you knew.
- A The records would tell you.
- Now, you say that you got out of North West Trust around 1961, was it?
- A 1960.
- 0 1960.
- A Sometime in January. I had decided unofficially that I would get out as soon as possible, but in 1960 I finally SUPREME COURT REPORTERS

EDMONTON, ALBERTA

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If we had in mind -- we had nowe land on 07th Tirect -I don't know the exact evenue -- that place, and we many
hoping to build a shopping centre, which fell through,
and then by thet time -- it got around to '60, and I was
thinking about getting out of the whole investment, which I

We was sted at that time with Delaborg, San B. sergi Yes, when I was a director of the company he also was n

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ds would tell you.

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2-M-5

J. Superstein - Dowding Ex.

- A (Cont.) got out of everything. Dr. Allard bought me out, and my wife.
- When did, to your knowledge, Sam Belzberg get out of North West Trust?

MR. G.A.C.STEER:

Well --

- A Again, that is his decision, and not mine, but from what I heard, sometime in 1961. I'm only quoting you what I heard, now.
- Q MR. DOWDING: Did you have any conversation with him about his getting out, or what he was going to do?
- A After he heard that I got out he had a few chats with me and said he is contemplating the same procedure.
- Q What did he do after that? Did he go into another trust company -- Mr. Belzberg?
- I don't know what his final breakup with Belzberg was -- but then --- what finally took place between Belzberg and Dr.

 Allard I'm not aware of, any details.

MR. G.H.STEER:

My Lord -- .

A I can't speak for Mr. Belzberg.

MR. G.H.STEER: Excuse me. If evidence is

required as to Mr. Belzberg's actions, surely it couldn't be got by hearsay from this witness. Let Mr. Belzberg be called to give his own evidence, is my respectful suggestion.

MR. DOWDING:

It might be a good suggestion at that.

MR. GILL:

He is called as a witness in another

aspect.

Q MR. DOWDING:

At the time that you got out of North

SUPREME COURT REPORTERS EDMONTON, ALBERTA et.) get out of everything. In Allard benght as out,

When did, to your knowledge, Sam Belehrig ger aus of Horeh West Trust?

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My Lord -- .

I can't speak for Mr. Belzberg

ed stabling it series, surely it couldn't be

areau from .mis witness. Let Mr. Relzberg bo

: le my respectful :

2 - M - 6

J. Superstein - Dowding Ex.

- Q (Cont.) West, was North West doing any deals in San Diego or California -- North West Trust?
- A When I became a director -- .

MR. G.A.C.STEER:

I am sorry, and I regret very much this interruption, but there isn't the slightest piece of evidence that such a question has any relevance -- .

THE COMMISSIONER: Well, I certainly don't want to get involved in what's going on down in San Diego. I think we've got to draw the line here somewhere. I'm not interested in any aspect relating to San Diego unless it can be shown to me to be relevant.

MR. G.A.C.STEER: We have had wide latitude with respect to relevance, sir, but not that.

THE COMMISSIONER: If you can show me the relevance of the question, Mr. Dowding -- but I certainly -- .

MR. DOWDING: I'm sorry, but -- .

THE COMMISSIONER:

-- Iⁿm not embarking on a trip to
San Diego in this inquiry.

MR. DOWDING:

The only connection with it really has nothing to do with the climate or the geography, but it has a lot to do with why this gentleman got out of North

West Trust, and it has a lot to do with the management of North West Trust in relation to this government.

THE COMMISSIONER: Well, if it's relevant go ahead -if you can establish the relevance.

Q MR. DOWDING: Were there some reasons you got out of North West Trust?

(lout.) West, was North West deing any deals in Eas Sings eliferals -- North West Trust?

R. G.A C, STEER: I am Surry, and I regret very much

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has nothing to do with the climate or the geography, but it

as . . ha a lot to do with the management of

frust in relation to this government,

2 - M - 7

J. Superstein - Dowding Ex.

I stated before that I didn't have the time to spare.

Edmonton Produce took all my time; and when I became a director there were certain investments made outside of this province which I had my own thinking about.

- Q And as a result of your thinking about that, you decided to get out of the company: is that right?
- A Well, I had too much to do with the Edmonton Produce. I didn't have time to spare.
- Now, do you know who was the Minister who had jurisdiction over trust companies in 1961?

MR. G.A.C.STEER:

In what year?

MR. DOWDING:

In 1961.

- Well, I was no longer a director of the Trust Company; I had resigned and I wasn't following that to that extent any more. It might have been Mr. Hinman -- I don't know.
- Q I see; and at that time did you have any financial deals with Mr. Belzberg -- 1962 or %63?

MR. CLEMENT:

I take it, Mr. Commissioner, that

having regard to the observations that have been made by

counsel both today and in days past, if it strikes you that

there is no apparent relevancy you will deal with the matter?

THE COMMISSIONER: What is the relevance of transactions between Mr. Superstein and Mr. Belzberg?

MR. DOWDING: Well, Mr. Commissioner -- .

THE COMMISSIONER: It is not apparent to me, but what is the -- what are you --?

MR. DOWDING: Well, Mr. Commissioner, the relevance

lefters that I didn't have the time to spane.

ton Produce took all my time; and when I became a director there were certain investments made outside of this province which I had my own thinking about.

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Now, do you know who was the Minister who had jurisdistion over trust companies in 1961?

MR. G.A.C.SIEER: In what year

MR. DOWDING: In 1961

Well, I was no longer a director of the Trust Company; what resigned and I wasn't following that to that extent any more. It might have been Mr. Hinman -- I don't know I see; and at that time did you have any financial deal

with Mr. Belsborg -- 1062 or 1677

having regard to the observations that have been made by counced both today and in days past, if it strikes you that is no larent relevancy you will deal with the matter?

SIONE.. '80') What is the relevance of transactions

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Borfer Just . On q J Jin

2 - M - 8J. Superstein - Dowding Ex.

MR. DOWDING: (Cont.) here that I was seeking to establish through this witness is that I understand he has personal knowledge of the dealings of Mr. Belzberg with, I take it, Mr. Hooke -although I don t know that for sure -- and only this witness can tell us -- that will indicate whether or not Mr. Hooke or Mr. Hinman or whoever it may be, of this Government, were in any kind of relationship where benefit might have resulted. That is the area, I understand, of the terms of reference: the relationship with friends, business associates, or acquaintances of the Minister.

THE COMMISSIONER:

Well, go ahead.

MR. CLEMENT:

Well, of course perhaps Mr. Dowding

isn't aware that this inquiry is in two sections.

THE COMMISSIONER: We are not dealing with any Hinman

aspect at this time.

MR. DOWDING:

I realize that, Mr. Commissioner,

and I only want this witness to tell us what he knows.

THE COMMISSIONER:

Go ahead.

MR. DOWDING:

About any relationship with Mr.

Hooke and Mr. Belzberg. Do you know if there is any?

None. A

As far as you know? 0

To the best of my knowledge. A

I think that covers all the -- . 0

To the best of my knowledge. A

--- the questions I have of this witness, if that is his Q answer. Thank you.

. 201 safford -

1. DOWDING: (Cont.) here that I was seeking to establish through this witness is that I understand he has personal knowledge of the deslings of Mr. Belzberg with, I take it, Mr. Hooks -- although I don't know that for sure -- and only this witness can tell us -- that will indicate whether or not Mr. Hooka or Mr. Hinman or whoever it may be, of this Government, were in any kind of relationship where benefit might have resulted. That is the area, I understand, of the terms of reference: the relationship with friends, business reference: or sequents access of the Minister

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and I only want this witness to tell us what he knows.

Go ahead.

About any relationship with Mr.

Hooke and Mr. Belzberg. Do you know if there is any?

None.

Know?

2 - M - 9

J. Superstein - G.A.C.Steer Ex.

MR. G.A.C. STEER EXAMINES WITNESS:

- Now, Mr. Bowen asked you about this transaction with respect to the Northwestern Utilities Building. Is it correct that the purchase price was \$380,000.00 -- that is, your price that you were to pay Giannone -- and you were to pay it on terms as is set out in a letter dated March 10th, which is filed in this Commission; isn't that correct?
- A That is correct.
- Q And did you also arrange or was a mortgage arranged for \$300,000.00 with the Great West Life Assurance Company --or the Great West Life; is that correct?
- A That's correct.
- Q And I wonder if you would look at the account that you were questioned about yesterday -- .

MR. GILL:

346.

- Q MR. G.A.C.STEER: 346 -- thanks, Mr. Gill.
- A This mortgage was arranged by North West Trust.
- Well, it may well be. You had knowledge of it, did you not? That's correct, isn't it, Mr. Superstein? You had knowledge of the mortgage being arranged?
- A Well, I wouldn't be able to pin down the date when it was arranged.
- Q You do know it was arranged?
- A The mortgage was arranged, yes.
- Q And on your account Exhibit 346 we see the sum of \$2,521.25 going to Great West Life Assurance Company. What was that for?
- A Well, that was the default for not taking the mortgage.

PRIME ENVINARE DIEL

- Now, Mr. Bowen Beked you about this transaction with respect to the Morthwestern Utilities Building. Is it correct that the purchase price was \$380,000.00 -- that is, your price that you were to pay Giannons -- and you were to pay it on terms as is act out in a letter dated March Luth. which is filled in this Commission; ian't that correct?
 - That is correct.
 - And did you also arrange or was a morigage erranged for \$200.000.00 with the Great West Life Assurance Company ...
 - Inat's correct
- And I wonder it you would look at the account that you more to account that you more to questioned about yesterday --- .
 - MR. GILL: 34
 - Q MR. G.A.C. STEEK: 345 -- theoke, Mr. Gill
 - A This mortgage was arranged by North West Prust.
- Well, it may well be. You had knowledge of 18, did you aski
- a , That's correct, isn't it, Mr Superstein? You had knowledge
 - Well I wouldn't be able to pin down the date when it was arranged.

2 - M - 10

- J. Superstein G.A.C.Steer Ex.
- Q For not taking the mortgage up?
- A Yes.
- In other words, you had had the funds on standby, is this correct?
- A That's right.
- Q Yes.
- You see, this statement is stated that it went to Edmonton Produce, Northwestern Utility Building. Edmonton Produce was not in the Northwestern Utilities Building and -- .
- I imagine there should be a "re" in front of that -- but that's all right, Mr. Superstein. And the solicitors who acted for Great West Life Assurance Company were whom?
- A Smith Clement & Parlee.
- Q Yes, and a fee was paid to them, of course, for -- .
- A \$478.75.
- Q -- having prepared the mortgage and made the legal arrangements so it could go through; is this correct?
- A That's correct.
- Q Was this your understanding? Was this your understanding?
- A Yes, this was.
- Q Thanks very much. What is a national firm? What do you mean by a national firm?
- A National firm is a firm that their assets are substantial and operate across the nation.
- Q Operate completely across Canada, is that it?
- A And interlocking with -- .
- Q General Motors is a national firm, I suppose?

SUPREME COURT REPORTERS EDMONTON, ALBERTA for sample mortgage up?

Yes. " Park

In other words, you had had the funds on standby, is this correct?

That's right.

Yes

You see, this statement is stated that it went to Behontor Produce, Northwestern Utility Building, Edmonton Produce was not in the Northwestern Utilities Building and -- I imagine there should be a "re" in front of that -- but that all right, Mr. Superstein. And the solicitors who acted for Great West Life Assurance Company were whom?

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-- having prepared the mortgage and made the legal arrangements so it could go through; is this correct?
That's correct.

Was this your understanding? Wes this your understanding? Yes, this was.

Thanks very much. What is a national firm? What do you masa

I firm a a firm that their sesets are substantial

Date of the

2-M-11

- J. Superstein G.A.C.Steer Ex.
- A Yes, sir.
- Q Chrysler is a national firm?
- A That's right.
- 0 And Safeway?
- A That's right.
- Q And Dominion Stores -- this sort of firm; is that correct?
- A That's what I mean.
- Yes, and was Dr. Allard also in the car business at the time you were going into buying this building?
- A Yes.
- Q Through Crosstown Motors, was it?
- A Crosstown Motors.
- Q Mayfair Motors?
- A Mayfair Motors -- I knew Zane Feldman who was associated with him, and he was the car manager.
- Mr. Zane Feldman operated the car companies; is this correct?
- A That's correct.
- And was there some discussion that the building could be used for one or other of those two car businesses if you couldn't get a government lease or a national lease -- national tenant?
- Yes, Dr. Allard told me that, that if we couldnot succeed in renting it for a national lease, or the government, that he had some ideas about his car businesses, that he could possibly use the building and the lots.
- Q And this would mean that the building would be leased to one

Small (sacisan a si ~

That's right.

And Safeway?

That's right,

And Dominion Stores -- this sert of firm; is that correct? That is what I mean.

Wes, and was Dr. Allard also in the car business at the time you were going into buying this building?

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Through Crosstown Motors, was it!

Crosstown Motors

Mayfair Motors?

Mayfair Motors -- I knew Zane Peldman who was associated with him, and he was the car manager.

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I we couldn't succeed ase, or the government, that include

2-M-12

- J. Superstein G.A.C.Steer Ex.
- Q (Cont.) of Dr. Allard's companies, one of the car companies; is this right?
- A That is correct.
- And Crosstown Motors had the --- or a Chrysler distributorship at that time, did it not?
- A I think they were distributor for Chrysler.
- Q Distributing Chrysler vehicles?
- A Yes, I think so.
- Or the Chrysler Company's cars -- there are many different kinds?
- A That's right.
- Q And also had a large used car business?
- A Yes.
- Q And Mayfair Motors -- was it a Rambler Company, do you know?
- A I don't know.
- Q You don't know about that?
- A No.
- Mowever, there were these possibilities with respect to the building at the time you were looking at the deal; is this correct?
- A That's correct; there were several avenues.
- Q Quite. Now, you were asked about the meeting with Mr.

 Tankoos, and to try and place the date. Did the meeting occur in the month of April?
- A I can't answer that.
- Q You just can't help us any way at all?
- A I can't help you in that regard -- the date when he was

ida richt?

. is correct at ind?

And Crosstown Notors had the --- or a Chrysler distributorship at that tire, did it not?

I think they were distributor for Chrysler.

Distributing Chrysler vehicles?

Yes, I think so.

Or the Chrysler Company Scars .- there are many different kinds?

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.asY

And Mayfair Motors -- was it a Rambier Company, do you know? I don't know.

You don't know about that?

AO . OM

However, there were these possibilities with respect to the building at the time you were looking at the deal; is this correct?

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cw, you were asked about the meeting with Mr.

or try and place the date. Did the meeting of

· (20 month 1000 (5)

2-M-13

- J. Superstein G.A.C.Steer Ex.
- A (Cont.) registered at the Macdonald Hotel -- .
- Q There isn't any problem there, sir.
- A Sorry.
- Now, do you remember Dr. Allard getting in touch with you?
- Yes, he phoned my secretary at the Edmonton Produce, to get through to me --- left that day -- and told me that Mr. Tankoos is coming in; he told me over the telephone, if my memory is correct now, that this party was interested in the Devonian Building as well -- whether it was "as well" or whether the party wanted the Devonian in preference to this one I don't know, but he asked me to come to the Macdonald -- .
- Q Would this assist you: you remember something being said about the Devonian Building?
- A Yes.
- Would you remember whether or not Dr. Allard said to you on the telephone or later in the hotel that he was not going to sell the Devonian Building to Tankoos-Yarman, but that he had suggested this building?
- Yes, he told me that he had a partner Belzberg, I think, had some interest in it, and I think this is what he said -- in the Devonian Building, and that he wasn't interested in selling it. I don't know whether it was Dr. Allard wasn't interested or whether it was Mr. Belzberg, I don't know.
- Q All right.
- A At any rate he suggested that I come up to the Macdonald Hotel and meet Mr. Tankoos, which I did.

a - 3.4.2 Steer Ex.

i.) registored at the Macdonald Notel --

Now, do you remember Dr. Allerd getting in temph with you?

Ten, he phoned my secretary at the Edmonton Produce, to

got through to me --- left that day -- and told or that

Mr. Tankoon is coming in; he told me over the telephone, if

my memory is correct now, that this party was interested

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Yes, he told me that he had a partner Belzberg, I thick, hed son event in it, and I think this is what he said -- it is evenion Built that he wasn't oten ted in

2-M-14

- J. Superstein G.A.C.Steer Ex.
- Q At that time the price that you people stipulated to Mr.

 Tankoos was \$550,000.00. Is that right?
- A That's correct.
- Q And is it correct that Mr. Tankoos went away and there were some telephone calls back and forth?
- A That's right; there was no deal at the hotel, and he thought the price was out of reason.
- Q And finally he did meet the price?
- A Finally -- there was some discussions that Dr. Allard reported to me at a later date, and Tankoos met the price and bought the building.
- Q And the transaction was put through. All right. Now, I wonder if you would look at this letter that my friend Mr. Dowding -- .
- MR. DOWDING: Perhaps we should put it in as an exhibit, I think, if I may suggest, Mr. Commissioner.
- THE COMMISSIONER: Would you identify the document so we may have it marked?
- MR. CLEMENT:

 I will do that, sir. It is a

 copy of a letter directed to Mr. J. Superstein at St. George's

 Crescent in Edmonton, dated May 21st, 1959, and signed by

 Charles A. Allard, President. There is no reproduction of

 a letterhead, so it doesn't of itself indicate what he was

 president of, except probably the North West Trust Company.

THE COMMISSIONER: Exhibit 350.

LETTER DATED MAY 21st, 1959, ALLARD TO SUPERSTEIN, IS MARKED EXHIBIT 350.

h time the price that you pasple stipulated to Hr.

That's correct.

And is it correct that Mr. Tankoos went away and there were some telephone catle back and forth?

That's right; there was no deal at the hetel, and he thought the price was out of reason.

And finally he did meet the price?

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n tool Attack

- 2 M 15
- J. Superstein G.A.C. Steer Ex.
- 0 MR. G.A.C.STEER: Well, looking at Exhibit 350 -- . Well, this is a letter written by Dr. Allard as President of North West Trust; isn't this correct?
- A Yes.
- And --0
- A He didn't sign it as that -- he signs "Charles A. Allard, President".
- Is North West Trust mentioned in here anywhere? Q

MR. CLEMENT: Yes, it is.

MR. G.A.C.STEER:

I am sure it is, but I can't put my finger on it --- . North West Trust Company -- yes, of course -- so he is writing as President of North West Trust; and he is offering you -- well, the first thing he is doing, he wants to get the company's capital paid up -- in other words, there is a call being made on the shares. Is that correct?

"All subscribed but unpaid shares should be paid up over a two-year period. The two-year period was decided upon in order that no hardship would be worked on any of the present shareholders."

Is that correct?

A That's correct.

Q.

- And in addition to that you/offered some Class "B" shares in
 - the company.
- That's correct. A
- And this letter, it was suggested, was written to you and Q to you alone. I point out to you:

MR. G.A.C.STEBR: Well, looking at Exhibit 350 -- .
Well, this is a letter written by Dr. Allard as President of

Yes.

-- bnA

He didn't sign it as that -- he signs "Charles A. Allard, President",

Is North West Trust mentioned in here anywhere?

MR. CLEMENT: Yes, it i

finger on it ---. North West Trust Company -- yes, of course -- so he is writing as President of North West Trust; and ho is offering you -- well, the first thing he is doing, he wants to get the company's capital paid up -- in other words, there is a call being made on the shares. Is that correct?

"All subscribed but unpaid shares should be paid up over a two-year period. The two-year period was decided upon in order that no hardship would be worked on any of the present shareholders."

Is that correct?

That's rect.

And in addit:

hat you/offerer some Class "5" shares in

o, i same

was written to you sad

n.

2-M-16

J. Superstein - G.A.C.Steer Ex.

Q (Cont.) "It is a pleasure to be able to report to you and the other shareholders that North West Trust Company ---", and so on.

I am going to suggest to you, sir, that that letter went out to every shareholder in the company.

- A Of course.
- Q Thanks very much.
- A It is a formal letter.
- Q It would have to go out if these calls were going to be made and options offered, wouldn't it?
- A Right.
- Sir, it is now a quarter past, and I think there are some Minutes that should go in.

THE COMMISSIONER:

Yes, we will adjourn for our break

this morning.

(Adjourned at 11.18 a.m.)

The a pleasure to be able to report to you the said the that North West Truck

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COMMISSIONER: " Yes, we will adjourn for our break

this morning. a s

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comp to a see the service

3-B-1 J. Superstein - G. A. C. Steer Ex.

MR. G. A. C. STEER: May it please you, Mr. Commissioner,
G. H. Steer made reference to certain Minutes of Mayfair
which I think, having in mind what has preceded prior to
this, should be marked so that the record is clear as to
exactly what did occur, if this would be satisfactory.

From the Minute book of Mayfair Leaseholds, Mr.

Commissioner, reference was made to a meeting of the 30th of April 1959, shareholders Allard and Miles, an assignment of the lease of the North West Trust Building to Mr.

Peacock; and this is the Minute which I now tender.

THE COMMISSIONER: Exhibit 351.

MAYFAIR MINUTE, APRIL 30th, 1959, RE ASSIGNMENT OF LEASE, MARKED EXHIBIT 351.

MR. G. A. C. STEER: Then, sir, a Minute dated July 17th,

Miles and Allard are the Directors, and it deals with

the acquisition by Ruth Superstein of twenty shares in the

company, Dr. Allard an additional twelve shares, and Mr.

Feldman seven shares; and the transfer to Feldman of the

one share previously owned by Miles.

THE COMMISSIONER: Exhibit 352.

MR. G. A. C. STEER: Yes sir.

MAYFAIR MINUTE, JULY 17th, 1959, RE SHARES, MARKED EXHIBIT 352.

MR. G. A. C. STEER: A Minute, sir, of the 17th of July 1959,

I beg your pardon, shareholders, 17th of July 1959,

present Allard, Mrs. Ruth Superstein, Superstein and

Feldman, relating to the appointment of officers of the

C. seretein - G. A. C. Steen Fr.

MR G. A. C. STEER: May it places you, Mr. Commissioner.

G. H. Steer made reference to certain Minutes of MayFair which I think, having in mind what has preceded prior to this, should be marked so that the record is clear as to exactly what did occur, if this would be satisfactory,

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THE COMMISSIONER:

Exhibit 351.

MAYFAIR MINUTE, APRIL 3003, 1959, RE ASSIGNMENT OF LEASE, MARKED EXHIBIT 351.

MR. G. A. C. SIEER: Then, sir, a Minute dated July 17th,

Miles and Allard are the Directors, and it deals with the acquisition by Ruth Superstein of twenty shares in the company, Dr. Allard an additional twelve shares, and Mr. Feldman seven shares; and the transfer to Feldman of the one share previously owned by Miles.

THE COMMISSIONER:

Exhibit 352.

G. A. C. STEER: Yes

MATERIE MINUTE, JULY 172h, 1959, RE SHARES, MARKED EXHIBIT 152. 3 - B - 2

J. Superstein - G. A. C. Steer Ex.

MR. G. A. C. STEER: (Cont.) company.

THE COMMISSIONER: Exhibit 353.

MAYFAIR MINUTE, JULY 17th, 1959, RE OFFICERS, MARKED EXHIBIT 353.

MR. G. A. C. STEER: A Minute, sir, of the 17th of July,

1959, Allard and Superstein Directors, with regard to the
acquisition of Lots 145 and 146 to which reference was
made in the evidence today.

THE COMMISSIONER: Exhibit 354.

MAYFAIR MINUTE, JULY 17th, 1959, RE LOTS 145 and 146, MARKED EXHIBIT 354.

MR. G. A. C. STEER: Sir, I have to find the Minute of the 12th of November, 1959 and as this Minute book is not in order I haven't put my hand on it yet, sir.

MR. CLEMENT: The 12th of November '59 was a Doral meeting.

MR. G. A. C. STEER: It will be both, Mr. Clement.

A Minute, sir, the 12th of November 1959, sir, Allard, Superstein and Feldman, and it is a meeting of the share-holders, sir.

"Allard reported to the meeting that he and Paris
Investments each owned fifty shares of Doral Developments Limited and that this was the total issued
capital stock of the company, and that he and Paris
Investments Limited were prepared to sell these shares
to the company at a price of \$23,138.22."

There then follows a Resolution approving that purchase,

- G. A. C. Stepp Ex.

MR. G. A. C. STEER: (Cont.) sompany.

THE COMMISSIONER: Exhibit 353

MAYFAIR MINUTE, JULY 1768, 1959, RE OFFICERS, WARKED EXHIBIT 353,

MR. G. A. C. STEER:

A Minute, sir, of the 17th of July,

1959, Allard and Superstein Directors, with regard to the
acquisition of Lots 145 and 146 to which reference was

THE COMMISSIONER: Exhibit 354

MAYFAIR MINUTE, JULY 17th, 1959, RE LOTS 145 and 146, MARKED EXHIBIT 254.

NR. G. A. C. SIELR: Sir, I have to find the Minute of the
12th of November, 1959 and as this Minute book IR not in
... order I haven't put my hand on it yet, sir.

MR. CLEMENT: The 12th of November 159 was a Porsi

MR. G. A. C. STEER: It will be both, Mr. Clement,

A Minute, sir, the 12th of November 1959, sir, Allard,

Superstein and Feldman, and it is a meeting of the share-

Investments each owned fifty shares of local Pevelopments live:

"" a was the total issued

3-B-3 J. Superstein - G. A. C. Steer Ex.

MR. G. A. C. STEER: (Cont.) and then there is a Resolution relating to borrowing seven thousand from each of Allard and Superstein, and then finally this Resolution:

"Upon motion duly made, seconded and unamimously carried it was resolved that the company transfer to each of Dr. Allard and Jacob Superstein without cost one share of Doral Developments Limited so that the said Dr. Allard and Jacob Superstein could vote on behalf of the company at meetings of Doral Developments Limited, on the understanding that Dr. Allard and Jacob Superstein agree to re-transfer these shares back to the company without cost to the company at any time when requested."

THE COMMISSIONER:

Exhibit 355.

MAYFAIR MINUTE, NOVEMBER 12th, 1959, RE DORAL DEVELOPMENTS MARKED EXHIBIT 355.

MR. G. A. C. STEER: And then, sir, perhaps it is not necessary to mark them as Exhibits, but if we look in the Minute book of Doral Developments, which is here, the annual reports are at the back for the relevant years, and they show that Mr. Superstein never owned any more than one share of this company, Doral, and that Dr. Allard owned the other, and the balance of those shares was in Mayfair as of the 12th of November 1959, and for the sake of -

MR. CLEMENT: Mr. Commissioner, I think that those corporate records are already in, at least copies of them are already in evidence.

.. G. A. Steer Ex.

MR. G. A. C. STEER: (Cont.) and them there is a Resolution
relating to berrowing seven thousand from each of Allard and
Superstein, and them finally this Resolution:
"Upon motion duly made, seconded and unamimously
carried it was resolved that the company transfer to
each of Dr. Allard and Jacob Superstein without cost
one share of Doral Developments Limited so that the

""" said Dr. Allard and Jacob Superstein could vote on
behalf of the company at meetings of Doral Developments
Limited, on the understanding that Dr. Allard and
Jacob Superstein age of the company of these shares

THE COMMISSIONER.

Exhibit 355.

MAYFAIR MIVUTE, NOVEMBER 12th, 1959, RE DORAL DEVELOPMENTS MARKED EXHIBIT 355,

MR. G. A. C. STEER: And then, sir, perhaps it is not

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r 1959, and for the make --

3 - B - 4

J. Superstein - G. A. C. Steer Ex.

MR. G. A. C. STEER: Well, then that settles it.

MR. GILL: Exhibit 245.

MR. CLEMENT: Exhibit 245 I am informed.

MR. G. A. C. STEER: Then, sir, a Minute of January 7th, 1960, and this, sir, is a Minute of a Directors meeting, Allard and Feldman are the Directors, and it, at this meeting Mrs. Superstein's twenty shares were acquired, thirteen by Allard, seven by Feldman; and it, Mr. Superstein steps down from the Board and the \$7,000.00 Promissory Note of Mr. Superstein's is transferred to Dr. Allard.

THE COMMISSIONER: Exhibit 356.

MAYFAIR MINUTE, JANUARY 7th, 1960, RE MRS. SUPERSTEIN'S SHARES AND MR. SUPERSTEIN'S RESIGNATION FROM THE BOARD, MARKED EXHIBIT 356.

MR. G. A. C. STEER: Then, sir, reference was made to an Agreement of the 30th of October 1958, whereby Dr. Allard and Mr., Dr. Allard and Paris Investments purchased from Prodor and Hooke, and that Agreement I believe has not been marked. It was -

MR. CLEMENT: It was dated October 30th 1959, sir.

MR. G. A. C. STEER: \$59, well, Mr. Clement knows then.

THE COMMISSIONER: The Agreement, are you putting it in?

MR. CLEMENT: I had intended to put it in in any event,

sir.

MR. G. A. C. STEER: I think that s all I have too.

MR. CLEMENT: May I tender it now, sir?

THE COMMISSIONER: Yes, would you identify it?

SUPREME COURT REPORTERS EDMONTON, ALBERTA ER 2. A. C STOER: Well, then that settles it.

MR. CLEMENT: 2 ' " Ph Enhibit 245 I am informed.

MR. G. A. C. STERR: Then, sir, a Minute of January 7th, 1950, and this, sir, is a Minute of a Directors meeting, illard and Feldman are the Directors, and it, at this meeting Mrs. Superstein's twenty shares were acquired, thirteen by Allard, seven by Feldman; and it, Mr. Superstein steps down from the Beard and the \$7,000.00 Promissory Note of Mr. Superstein's is transforred to Dr. Allard.

THE COMMISSIONER: Exhibit 35

MAYPAIR MINUTE, JANUARY 7th, 1980, RI MRS, SUPERSTEIN'S SHARES AND MR. SUPERSTEIN'S RESIGNALLOS EROM THE BOARD, MARKED EXHIBIT 350.

1. G. A. C. STEER: Then, sir, reft ence was made to an Agreement of the 30th of October 1958, whereby br. Mard and Mr., Dr. Allard and Paris Investments gurchased from Prodor and Hooke, and that Agreement I believe has not been

nic Club date mode too be tab easy at TURNETS (TURNETS)

MR. G A. C. S well, Mr. Clement knows then.

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pase of the second

3-B-5 J. Superstein - G. A. C. Steer Ex.

MR. CLEMENT: This is an Agreement dated October

30th 1959, between Edward Prodor and Alfred Hooke as vendors
and Charles Allard and Paris Investments Limited as
purchasers, relating to the sale and purchase of one
hundred shares of Doral Developments Limited, being the
total of the issued share capital of that company.

THE COMMISSIONER: Exhibit 357.

AGREEMENT, OCTOBER 30th 1959, PRODOR AND HOOKE WITH ALLARD AND PARIS, RE DORAL, MARKED EXHIBIT 357.

MR. G. A. C. STEER: Sir, I wonder if with regard to the

Minutes I have put in Mr. Short could make photocopies of
them and they could be replaced?

THE COMMISSIONER: Yes, photostatic copies will be made and the originals returned to the Minute book.

Now, before I call on Mr. Maynard and Mr. George Steer,
Mr. Gill, have you any questions arising out of these
additional Exhibits that have been put in?

MR. GILL:

No, I have not. Mr. Commissioner, just for the assistance of yourself and counsel I might point out that Mr. Clement discussed the document that has just been put in, that Agreement, on page 1391 in Volume 14 of these proceedings, October 3rd.

THE COMMISSIONER: Thank you. Mr. Bowen?

MR. BOWEN: Nothing, sir.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD: No questions, sir.

THE COMMISSIONER: Mr. Dowding?

SUPREME COURT REPORTERS
EDMONTON, ALBERTA

oln - G. A. S. Steen Pr.

13. SLEMENT: at This is an Agreement dated October 30th 1959, between Edward Prodor and Alfred Hooks as vendoes and Charles Allard and Paris Investments Limited as purchasers, relating to the sale and purchase of one hundred shares of Doral Developments Limited, being the total of the issued share capital of that company.

THE COMMUSSIONES: Exhibit 35

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3-B-6

J. Superstein - Maynard Ex.

MR. DOWDING:

No questions.

THE COMMISSIONER:

Now, Mr. Maynard?

MR. MAYNARD EXAMINES THE WITNESS:

- Q Mr. Superstein, I would like to try to clear up if possible one point by referring you to four Exhibits, four documents that have been filed as Exhibits. The first document is Exhibit 306, a letter of March 13th, 1959, from North West Trust Company Limited to The Honourable Mr. Manning; this is the letter in which the Northwestern Utilities Building was offered to the Government for lease at the rent of \$2.75 a square foot: were you familiar with that offer when it was made, did you have knowledge of it?
- A Yes.
- Q Then the next document I refer to is Exhibit 307, a letter of March 28th, 1959, from Mr. Miles to the Department of Public Works accepting the Government offer for \$2.50 a square foot instead of \$2.75, and that jointly with that letter of March 28th, Exhibit 307, I refer to Exhibit 308, which is an Agreement to Lease form, dated April 6th, 1959: now, I ask you to keep these two dates in mind, March 28th 1959 and April 6th 1959, and the two relevant documents. Did you have knowledge at this time, at the time of these documents, that the Government had agreed to rent the building?
- A Well, the dates bother me, Mr. Maynard.
- Q You are not sure?

No questions.

Mr. Supervicin, I would like to try to rlear up if gossible one point by referring you to four Unitate, four documents that have been filed as Exhibits. The first document is Exhibit 306, a letter of March 19th, 1950, From North West Trust Company Limited to The Honourable Mr. Manning; this is the letter in which the Northwestern Utilities Building was offered to the Government for lease at the rent of \$2.75 a square foot: were you familiar with that offer when it was made, did you have knowledge at the

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"" I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these two dates in mind, March 20th or I sak y o keep these y or I sak y o keep y o

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and agreed to rest the . .

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J. Superstein - Maynard Ex.

- A Well, the dates, I don't know when I was, you are speaking dates and I would hesitate to state the dates when I found out about it.
- Q Fine. The next Exhibit I refer to is Exhibit number 341, which is the actual lease between Mayfair Leaseholds Limited and the Crown, dated April 28th 1959; at the time this lease was executed did you know then that the Government had agreed to rent the building?

well, the dates, I den't know when I was, you are speaking lates and I would heaftate to state the dates when I form out shout it

Fine. The next Exhibit 1 refer to is Exhibit number 341, which is the actual lease between Mayfour Leaseholds Limiter and the Crown, dated April 28th 1959; at the time this lease was executed did you know then that the Government had agreed to rent the building?

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3-P-1

J. Superstein - Maynard Ex. - Clement Ex.

- I knew that the Government agreed to rent the building but I had never seen the lease.
- Q Fine?
- A The actual lease.
- Now Mr. Superstein, can I ask you to bring your mind back to the period of time, to the end of March 1959, to the end of April 1959, the end of March is the date of the letter from Mr. Miles to the Department of Public Works, Exhibit 307, accepting the Government offer to lease at \$2.50 and, the end of April is the date of the lease Exhibit 341 dated April 28th, which is the formal lease between Mayfair Leaseholds and the Government. Keeping those two dates in mind, can you recall if this is the period of time within which you met Mr. Tankoos in the Macdonald Hotel?
- A I can't place the date when Mr. Tankoos was here.
- Q Fine?
- A In my mind, I am sorry.
- Q I tried; I tried. That is fine Mr. Superstein, thank you.

THE COMMISSIONER:

Mr. George Steer?

MR. G.H. STEER:

I have no questions.

THE COMMISSIONER:

Mr. Clement?

MR. CLEMENT EXAMINES THE WITNESS:

Mr. Superstein, I would like to refer for just a moment to
Exhibit 357 which is the agreement for sale by Prodor and
Hooke of the shares of Doral Development Limited to Dr.
Allard and Paris Investments, following which, a short time
later you became a shareholder and Director of the company.

- Maraard Fx. - Clement Lv.

I kner that the Government agreed to rest the building but I had never seen the lease.

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THE COMMISSIONER:

T have no suestions.

MR. G.H. STEER:

Mr. Clement?

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- 3-P-2 J. Superstein - Clement Ex.
- Q (cont.) There is in evidence that the price paid for those shares aggregated some \$23,000.00, the financial statement which is a part of Exhibit 357 shows that Doral Development Limited as at September 30th, 1958 had assets of \$30,087.27 and liabilities of thirteen thousand nine hundred fifty-three dollars and some cents aside from a debt to shareholders. This agreement itself shows that the debt to shareholders or, I should say Directors, was assumed by the purchasers so we can leave that figure of sixteen thousand odd out.

Now then, if we subtract from the assets of thirty thousand dollars odd the liabilities to the bank and so on, \$13,953.00, we come to a resultant figure of \$16,134.00 as being the apparent worth of the company for which, the shares for which were bought at twenty-three thousand odd.

Now, can you give the Inquiry any information as to why there should be that spread in book value and in purchase price?

- A I have never seen this agreement until now. I have never seen this statement which you have referred to until now.

 I did not know about Dr. Allard dealing with a man by the name of Prodor, I don't know who he is and I never met him in my life and I didn't know it was purchased from Mr. Hooke and Prodor until yesterday. Dr. Allard did not tell me who he bought these assets from.
- Q Very well. Now, just one question more and merely to see whether you do have any information Mr. Superstein which might be of assistance.

ehrros aggrogabad some \$23,000.00, the financial statement which is a part of Exhibit 357 shows that Derul Development Limited as at September 30th, 1955 had assets of \$30 087.27 and liabilities of thirteen thousand sine numbed fifty-three dollars and some cents aside from a debt to shareholders. This agreement itself shows that the debt to shareholders of should say Directors, was assumed by the purchasers so we say leave that figure of sixteen thousand odd out.

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3-P-3 J. Superstein - Clement Ex.

Q (cont.)

Amongst the assets making up the thirty thousand odd dollars is a quarter section of land described as the southeast quarter of 22, 52, 23, west of the 4th which, I understand the division of lands in this province, would be about a mile southeast from the southwest quarter of Section 27 which had been of concern in this Inquiry earlier.

Do you know this was land owned by the company which at that time had as its shareholders only Hooke and Prodor.

Have you any information as to the value of the southeast quarter of Section 22 during the period of your directorship in Doral Development, did this land come under discussion?

- A Not to the best of my memory.
- Q No sale or other disposition of it was made in your memory during the period you were associated with Doral Developments?
- A Dr. Allard never disclosed to me who he bought from and what assets were involved.
- Q Thank you. Thank you Mr. Superstein, I have no further questions.

THE COMMISSIONER: Thank you Mr. Superstein, you may step down.

A Thank you.

(Witness retires.)

MR. CLEMENT: Mr. Commissioner, we are now in the position of awaiting for a witness who is coming voluntarily from Victoria B.C. and the best arrangements I have been

EDMONTON, ALBERTA

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Thank you. Thank you Mr. Superstain, I have no further

.. Hr . Thank you Mr. Superstein, you asy

3-P-4 Clement Re Adjournment.

MR. CLEMENT: (cont.) able to make, brings him to Edmonton this evening and I will have him for evidence tomorrow morning.

The case is in this position that we cannot call, in fairness cannot call Dr. Allard until all the background has been put on the record and then he will come and give his version of the events.

I regret losing a portion of an hour, sir, but I am just not able to produce further evidence because of that reason.

THE COMMISSIONER:

We will adjourn then until tomorrow morning at nine o'clock.

(The Hearing stood adjourned at 12:10 P.M.)

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